On banks and banking activities in the Republic of Kazakhstan

Unofficial translation

Law of the Republic of Kazakhstan № 258-VIII ZRK dated 16 January 2026.

Unofficial translation

SECTION 1. GENERAL PROVISIONS Chapter 1. BASIC CONCEPTS. PURPOSE, OBJECTIVES, AND PRINCIPLES OF STATE REGULATION IN BANKING ACTIVITIES

Article 1. Basic concepts used in this Law

1) informatization objects - electronic information resources, software, an Internet resource and (or) information and communication infrastructure that provide a bank, a branch of a bank - a non-resident of the Republic of Kazakhstan, an organization carrying out certain types of banking operations, with the ability, among other things, to exchange data (information) with a client through the use of identification means provided for by the Law of the Republic of Kazakhstan "On Payments and Payment Systems";

2) a universal banking license - a license from an authorized body issued to a bank or branch of a bank that is a non-resident of the Republic of Kazakhstan to carry out banking and other operations;

3) a basic banking license - a license from an authorized body issued to a bank to carry out banking and other operations, taking into account the restrictions and features established by this Law for a bank with a basic banking license;

4) control – the ability to determine the decisions of a legal entity or an organization that is not a legal entity, arising when one of the following conditions is present:

direct and (or) indirect ownership and (or) use and (or) disposal by one person of more than fifty percent of voting shares, participation interests, units or other forms of equity participation in a legal entity or an organization that is not a legal entity;

the ability of one person, directly or indirectly, to elect not less than one-half of the members of the governing body or executive body of a legal entity or an organization that is not a legal entity;

inclusion of the financial statements of a legal entity, with the exception of the financial statements of a special financial company established in accordance with the legislation of the Republic of Kazakhstan on project financing and securitization, or an organization that is not a legal entity, in the financial statements of another legal entity or an organization that is not a legal entity, in accordance with the auditor's report;

the ability of one person, independently or jointly with one or more persons, to determine the decisions of a legal entity or an organization that is not a legal entity, by virtue of an agreement (supporting documents) or otherwise in cases established by the authorized body;

5) a bank is a legal entity created in the organizational and legal form of a joint-stock company, which is a commercial organization authorized to carry out banking activities on the basis of a banking license in accordance with this Law;

6) an electronic trading platform for the sale of banking and microfinance assets - an Internet resource that provides the infrastructure for conducting trades, operating in accordance with the Law of the Republic of Kazakhstan "On state regulation, control and supervision of the financial market and financial organizations";

7) banking conglomerate - a group of legal entities and organizations that are not legal entities, consisting of a banking holding company (if any) and a bank, as well as subsidiaries of the banking holding company and (or) subsidiaries of the bank, and (or) organizations in which the banking holding company and (or) its subsidiaries and (or) the bank have a significant participation in the capital (hereinafter - the organizations that are part of the banking conglomerate).

The banking conglomerate does not include the national management holding, the banking holding that is a non-resident of the Republic of Kazakhstan, as well as subsidiaries and organizations in which the banking holding that is a non-resident of the Republic of Kazakhstan has a significant participation in the capital, which are non-residents of the Republic of Kazakhstan;

8) a banking license – a universal banking license, a basic banking license and (or) a license to carry out Islamic banking and other operations;

9) an organization carrying out certain types of banking operations - a legal entity that is not a bank, which, on the basis of a license from an authorized body or the National Bank of the Republic of Kazakhstan or in accordance with the laws of the Republic of Kazakhstan, is authorized to carry out certain types of banking operations provided for by this Law;

10) a major participant of the bank – an individual or legal entity that, in accordance with the written consent of the authorized body, has the right to:

directly and (or) indirectly own, use and dispose of in total ten or more percent of the voting shares of the bank, including through derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is the voting shares of the bank;

directly and (or) indirectly influence the decisions made by the bank (vote) with ten or more percent of the bank’s voting shares by virtue of an agreement (supporting documents) or otherwise in cases established by the authorized body.

The following are not recognized as major participants in the bank:

Government of the Republic of Kazakhstan;

national management holding;

a unified accumulative pension fund managing an investment portfolio that owns voting shares of a bank and (or) derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is voting shares of a bank, at the expense of pension assets;

a person performing the functions of a nominee holder of voting shares of a bank and (or) derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is the voting shares of the bank, as well as the issuer of the specified derivative securities;

a person who has the exclusive right to receive dividends and (or) other income on bank shares without the ability to influence decisions made by the bank;

other persons specified in paragraph 19 of Article 9-5 of the Law of the Republic of Kazakhstan "On state regulation, control and supervision of the financial market and financial organizations";

11) a bank holding company is a legal entity that, in accordance with the written consent of the authorized body, has the right to:

directly and (or) indirectly own, use and dispose of in total twenty-five or more percent of the voting shares of the bank, including through derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is the voting shares of the bank;

directly and (or) indirectly influence the decisions made by the bank (vote) with twenty-five or more percent of the bank's voting shares by virtue of an agreement (supporting documents) or otherwise in cases established by the authorized body.

The following ones shall not be recognized as banking holding companies:

Government of the Republic of Kazakhstan;

national management holding;

a unified accumulative pension fund managing an investment portfolio that owns voting shares of a bank and (or) derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is voting shares of a bank, at the expense of pension assets;

a person performing the functions of a nominee holder of voting shares of a bank and (or) derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is the voting shares of the bank, as well as the issuer of the specified derivative securities;

a person who has the exclusive right to receive dividends and (or) other income on bank shares without the ability to influence the decisions made by the bank;

other persons specified in paragraph 19 of Article 9-5 of the Law of the Republic of Kazakhstan "On state regulation, control and supervision of the financial market and financial organizations";

12) a management body – the board of directors of a joint-stock company or another body with similar competence, permanently operating in a legal entity;

13) a parent organization – a legal entity (an organization that is not a legal entity) that exercises control over another legal entity or another organization that is not a legal entity;

14) deposit - money transferred by one person (depositor) to another person - a bank, a branch of a bank - a non-resident of the Republic of Kazakhstan, the National Postal Operator or the National Bank of the Republic of Kazakhstan on the condition of their return in nominal terms (with the exception of an investment deposit within the framework of Islamic banking operations) regardless of whether the specified money must be returned upon first demand or after a certain period, in full or in parts, with a pre-agreed surcharge (remuneration) or without such one, directly to the depositor or a third party;

15) data showcase - a structured set of data of a bank, a branch of a bank - a non-resident of the Republic of Kazakhstan, organized and updated in accordance with the requirements of the authorized body, intended for storage and transmission in the established format to the authorized body for the purpose of supervising the activities of the bank, a branch of a bank - a non-resident of the Republic of Kazakhstan and (or) compliance with reporting requirements;

16) subsidiary organization – a legal entity (an organization that is not a legal entity) over which another legal entity or an organization that is not a legal entity exercises control;

17) indirect ownership - the ability to influence the decisions of a legal entity or an organization that is not a legal entity, a major participant in a legal entity or an organization that is not a legal entity, and (or) persons who are jointly a major participant in a legal entity or an organization that is not a legal entity, through the ownership of voting shares, participation interests, units or other forms of equity participation in a legal entity or an organization that is not a legal entity;

18) a systemically important bank is a bank on whose stable functioning is essential to the stability of the financial system as a whole;

19) an organization that is not a legal entity - a fund, association, trust, company, partnership, organization or other corporate entity created (registered) in accordance with the legislation of a foreign state, considered as independent organizational and legal forms regardless of whether they have the status of a legal entity in a foreign state;

20) an Islamic bank - a bank authorized to carry out Islamic banking operations, which are the main type of activity for the specified bank, on the basis of a license to carry out Islamic banking and other operations;

21) a license to carry out Islamic banking and other operations - a license from an authorized body to carry out Islamic banking and other operations, issued to an Islamic bank, a bank with a universal banking license carrying out Islamic banking operations, a branch of

an Islamic bank 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 with a universal banking license carrying out Islamic banking operations;

22) a bank with a universal banking license carrying out Islamic banking operations - a bank authorized to carry out banking and other operations on the basis of a universal banking license, as well as Islamic banking operations on the basis of a license to carry out Islamic banking and other operations;

23) a branch of a bank that is a non-resident of the Republic of Kazakhstan - a separate division of a bank that is a non-resident of the Republic of Kazakhstan, which is not a legal entity, located on the territory of the Republic of Kazakhstan, which has undergone registration with the State Corporation "Government for Citizens" and carrying out banking and other operations and (or) Islamic banking operations on the basis of a banking license;

24) non-residents of the Republic of Kazakhstan:

foreign nationals and stateless persons who shall not hold a permanent residence permit in the Republic of Kazakhstan;

legal entities and organizations that are not legal entities, created in accordance with the legislation of foreign states;

international organizations;

25) residents of the Republic of Kazakhstan:

citizens of the Republic of Kazakhstan;

foreign nationals and stateless persons who shall hold a permanent residence permit in the Republic of Kazakhstan;

legal entities established in accordance with the legislation of the Republic of Kazakhstan;

legal entities registered in accordance with the current laws of the “Astana” International Financial Center;

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;

26) authorized body for regulation, control and supervision of the financial market and financial organizations (hereinafter - the authorized body) - a state body carrying out state regulation, control and supervision of the financial market and financial organizations;

27) trust management agreement for rights (claims) - a trust management agreement for rights (claims) under a bank loan agreement, a microcredit agreement, concluded between a service company and the person specified in paragraph 1 of Article 63 of this Law, or the person specified in part one of paragraph 5 of Article 9-1 of the Law of the Republic of Kazakhstan "On Microfinance Activities", or an insurance (reinsurance) organization;

28) impeccable business reputation – professionalism and integrity of a person, confirmed , among other things, by the absence of facts:

the commission by the specified person of illegal actions (inactions) that led to insolvency , resulting in the forced liquidation of the financial institution, or to the application of a resolution regime to the bank;

absence of an unexpunged or outstanding criminal record of the specified person, including the absence of a court act that has entered into legal force imposing on the person a criminal penalty in the form of deprivation of the right to hold the position of an executive of a financial organization, banking and (or) insurance holding company and to be a major participant (major shareholder) of a financial organization for life;

existence of relations with third parties (control and influence of third parties), whose actions contributed to the legalization (laundering) of proceeds obtained from crime, financing of terrorism and financing of the proliferation of weapons of mass destruction, based on information from the authorized financial monitoring body;

29) preposition of collateral of non-marketable assets - a procedure for the preliminary determination by the authorized body of non-marketable assets of a bank acceptable for pledge to the National Bank of the Republic of Kazakhstan as collateral, in order to ensure the possibility for the specified bank to receive a loan of last resort, as provided for by the Law of the Republic of Kazakhstan "On the National Bank of the Republic of Kazakhstan";

30) a service company - a subsidiary organization for managing distressed assets, a collection agency, which, within the framework of a trust management agreement, has rights (claims), powers for trust management of rights (claims) under a bank loan agreement, a microcredit agreement, including in relation to:

changes in the terms of a bank loan agreement, a microloan agreement;

representation in court of the interests of a person with whom a trust agreement for the management of rights (claims) has been concluded;

acceptance of money and (or) other property from the debtor;

other powers provided for by this Law, other laws of the Republic of Kazakhstan and (or) a trust agreement for the management of rights (claims);

31) a liquidated bank is a bank that is in the process of liquidation in accordance with a court decision that has entered into legal force on the forced liquidation of the bank or the permission of an authorized body for the voluntary liquidation of the bank;

32) an insolvent or potentially insolvent bank is a bank whose viability assessment confirms the presence of one of the following circumstances:

excess of bank liabilities over bank assets;

reduction of the bank’s equity capital adequacy ratios and (or) liquidity ratios to a level below the minimum values established by the authorized body;

the inability of a bank to fulfill its monetary obligations to depositors and (or) other creditors due to the absence or insufficiency of funds;

significant deficiencies in corporate governance and (or) the bank's risk management and internal control system that have a significant negative impact on the bank's financial stability ;

material misstatements in the regulatory or financial statements of the bank that have a significant adverse effect on the financial stability of the bank, including intentional misstatement or non-recognition of losses, manipulation of accounting policies, resulting in a significant deviation of the information submitted from the actual financial position of the bank;

existence of circumstances indicating a threat to the bank's financial stability, including a significant deterioration in the value of the bank's assets;

existence of grounds established by this Law for revoking a bank's banking license to carry out all types of banking operations;

existence of circumstances (information) indicating that any of the above-mentioned circumstances will occur in relation to the bank within the next six months;

33) a stabilization bank – a second-tier bank created for the purpose of transferring to it all or part of the assets and liabilities of a bank in resolution mode;

34) consumer bank loan – a bank loan granted to an individual for the purchase of goods, works, services and (or) other purposes not related to the implementation of entrepreneurial activities, with the exception of a mortgage loan;

35) significant participation in the capital of an organization - direct and (or) indirect ownership and (or) use and (or) disposal, independently or jointly with one or more persons, by virtue of an agreement (supporting documents) or otherwise in cases established by the authorized body, of twenty or more percent of voting shares, participation interests, units or other forms of equity participation in a legal entity or organization that is not a legal entity.

The following ones shall not be recognized as having a significant participation in the capital of an organization:

Government of the Republic of Kazakhstan;

national management holding;

subsidiaries of the National Bank of the Republic of Kazakhstan;

a unified accumulative pension fund managing an investment portfolio that owns voting shares of a bank and (or) derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is voting shares of a bank, at the expense of pension assets;

other persons in cases provided for by this Law;

36) a major participant – an individual, a legal entity, or an organization that is not a legal entity, which directly and (or) indirectly owns, and (or) uses, and (or) controls ten or more percent of voting shares, participation interests, units or other forms of equity participation in a legal entity or organization that is not a legal entity.

The following ones shall not be recognized as major participants in a legal entity or an organization that is not a legal entity:

Government of the Republic of Kazakhstan;

national management holding;

subsidiaries of the National Bank of the Republic of Kazakhstan;

a unified accumulative pension fund managing an investment portfolio that owns voting shares of a bank and (or) derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is voting shares of a bank, at the expense of pension assets.

Footnote. Article 1, as amended by the Law of the Republic of Kazakhstan dated 11.06.2026 № 306-VIII (shall enter into force from 01.07.2026).

Article 2. Banking legislation of the Republic of Kazakhstan

The banking legislation of the Republic of Kazakhstan 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.

International treaties ratified by the Republic of Kazakhstan shall prevail over this Law. The procedure and conditions for the operation of international treaties to which the Republic of Kazakhstan is a party within the territory of the Republic of Kazakhstan shall be determined by the legislation of the Republic of Kazakhstan.

Article 3. The main goal, objectives and principles of state regulation, control, and supervision in the field of banking activities

1. The main goal of state regulation, control and supervision in the field of banking activities is to ensure the financial stability of the banking system of the Republic of Kazakhstan.

2. The main objectives of state regulation, control and supervision in the field of banking activities shall be:

1) establishment of legal bases for functioning of the banking system of the Republic of Kazakhstan;

2) regulation, control and supervision of banking activities in the Republic of Kazakhstan;

3) protection of the rights and legitimate interests of depositors, other creditors and clients of banks and branches of banks – non-residents of the Republic of Kazakhstan;

4) assistance in ensuring fair competition in the banking services market;

5) assistance in increasing the level of financial literacy and accessibility of banking services for the population.

3. The main principles of state regulation, control and supervision in the field of banking activities shall be:

1) effective and proportionate (commensurate) regulation of banking activities;

2) transparency of the activities of banks, branches of banks – non-residents of the Republic of Kazakhstan and other participants in the banking system of the Republic of Kazakhstan;

3) the liability of banks, branches of banks – non-residents of the Republic of Kazakhstan and other participants in the banking system of the Republic of Kazakhstan in the process of carrying out banking activities.

Chapter 2. BANKING SYSTEM OF THE REPUBLIC OF KAZAKHSTAN

Article 4. Banking system of the Republic of Kazakhstan

1. The Republic of Kazakhstan shall have a two-tier banking system.

The National Bank of the Republic of Kazakhstan shall be the central bank of the state and shall constitute the upper (first) tier of the banking system of the Republic of Kazakhstan.

All other banks shall constitute the lower (second) tier of the banking system of the Republic of Kazakhstan and shall be second-tier banks, with the exception of the Development Bank of Kazakhstan, which has a special legal status established by the Law of the Republic of Kazakhstan "On the Development Bank of Kazakhstan." Branches of non-resident banks of the Republic of Kazakhstan shall also form part of the lower (second) tier of the banking system of the Republic of Kazakhstan.

2. The purpose, objectives, principles of activity, legal status and powers of the National Bank of the Republic of Kazakhstan shall be determined by the Law of the Republic of Kazakhstan "On the National Bank of the Republic of Kazakhstan", other laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan.

The National Bank of the Republic of Kazakhstan shall carry out regulation, control and supervision of certain issues of banking activities within the limits of its competence and promote the creation of general conditions for the functioning of banks, branches of banks - non-residents of the Republic of Kazakhstan, as well as organizations carrying out certain types of banking operations.

The regulatory, control and supervisory functions of the National Bank of the Republic of Kazakhstan within its competence in relation to banks, branches of banks - non-residents of the Republic of Kazakhstan, as well as organizations carrying out certain types of banking operations, shall be aimed at maintaining the stability of the monetary system of the Republic of Kazakhstan, protecting the rights and legitimate interests of depositors, other creditors and clients of banks, branches of banks - non-residents of the Republic of Kazakhstan, as well as organizations carrying out certain types of banking operations.

3. No person who does not have the appropriate license from the authorized body or the National Bank of the Republic of Kazakhstan shall have the right to:

1) carry out banking operations as a primary or secondary activity.

Banking operations carried out within the territory of the Republic of Kazakhstan without a license from an authorized body or the National Bank of the Republic of Kazakhstan shall be null and void, with the exception of banking operations carried out by a state body, the National Postal Operator, the Development Bank of Kazakhstan, international financial organizations, as well as other persons within the powers vested in this Law and (or) other laws of the Republic of Kazakhstan;

2) use in its name, documents, announcements and (or) advertising the word "bank" or a word (expression) derived from it that creates the impression that it carries out banking operations, with the exception of the National Bank of the Republic of Kazakhstan, the Development Bank of Kazakhstan, international financial organizations and representative offices of banks.

4. The establishment in the Republic of Kazakhstan of specialized industry banks with state participation, with the exception of a housing construction savings bank that has the status of a national development institution, shall not be permitted.

The Housing construction savings bank, which has the status of a national development institution, is a second-tier bank with a special legal status determined by this Law and the Law of the Republic of Kazakhstan "On Housing Construction Savings in the Republic of Kazakhstan".

5. The creation or operation of shell banks shall be prohibited in the Republic of Kazakhstan.

Article 5. Affiliated persons of a bank, branch of a bank – non-resident of the Republic of Kazakhstan

1. Affiliated persons of the bank shall be the persons defined in Article 64 of the Law of the Republic of Kazakhstan "On Joint Stock Companies", with the exception of:

persons performing the functions of a nominee holder of voting shares of a bank and (or) derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is the voting shares of a bank, as well as issuers of the said derivative securities;

cases established by paragraphs 2 and 3 of this Article.

2. The fact that the Government of the Republic of Kazakhstan and (or) the national management holding company has the status or characteristics of a major shareholder of a bank, as well as the participation of officials of the national management holding company in the bodies of the bank shall not constitute grounds for recognizing the following as affiliated persons of the specified bank:

the Government of the Republic of Kazakhstan;

the national management holding and (or) its officials.

3. The presence of the Government of the Republic of Kazakhstan and (or) the national management holding among the shareholders of these banks shall not be the grounds for recognizing banks as affiliated with each other.

4. The provisions of paragraphs 2 and 3 of this Article shall not be taken into account for the purposes of the tax legislation of the Republic of Kazakhstan and the legislation of the Republic of Kazakhstan on transfer pricing.

5. Affiliated persons of a bank branch that is a non-resident of the Republic of Kazakhstan shall be recognized as affiliates of the bank that is a non-resident of the Republic of Kazakhstan, recognized as such in accordance with the legislation of the state of which the bank that is a non-resident of the Republic of Kazakhstan is a resident.

A branch of a bank that is a non-resident of the Republic of Kazakhstan shall maintain records of its affiliates on the basis of information provided by the bank that is a non-resident of the Republic of Kazakhstan.

Article 6. Delimitation of liability of a bank, a bank branch – non-resident of the Republic of Kazakhstan and the state.
Independence of banks and branches of non-resident banks of Republic of Kazakhstan

1. A bank or a branch of a bank that is a non-resident of the Republic of Kazakhstan shall not be liable for the obligations of the state, just as the state shall not be liable for the obligations of a bank or a branch of a bank that is a non-resident of the Republic of Kazakhstan, except in cases where a bank or a branch of a bank that is a non-resident of the Republic of Kazakhstan and (or) the state assume such liability.

2. Interference in any form by state bodies and their officials in the activities of a bank or branch of a bank that is a non-resident of the Republic of Kazakhstan shall be prohibited, except in cases stipulated by the laws of the Republic of Kazakhstan.

3. A bank, for the purpose of ensuring (restoring) financial stability and (or) recovery of which funds from the state budget, the National Fund of the Republic of Kazakhstan, the National Bank of the Republic of Kazakhstan and (or) its subsidiaries shall be used, in the period from the date of the decision to provide the specified funds and until the bank has fully fulfilled its obligations to repay them:

1) distributes profits, accrues dividends on common and (or) preferred shares, and also carries out a buyback of its own shares, subject to the conditions stipulated by the regulatory legal act of the authorized body;

2) may not create and (or) acquire subsidiaries, have a significant stake in the capital of an organization, or make other investments in legal entities and organizations that are not legal entities (hereinafter - organizations) located (registered) outside the Republic of Kazakhstan.

A major participant in a bank, a banking holding company, during the period from the date of the decision on provision of funds from the state budget, the National Fund of the Republic of Kazakhstan, the National Bank of the Republic of Kazakhstan and (or) its subsidiaries to ensure (restore) the financial stability and (or) recovery of the bank and until the bank has fully fulfilled its obligations to return the said funds, shall have the right to reduce the share of their direct and (or) indirect ownership and (or) use, and (or) disposal of the bank's shares, subject to the conditions stipulated by the regulatory legal act of the authorized body.

In order to obtain the status of a major participant and (or) a bank holding company of a bank, a person wishing to acquire a share of direct and (or) indirect ownership and (or) use and (or) disposal of shares of a bank, for the provision (restoration) of financial stability and (or) recovery of which funds from the state budget, the National Fund of the Republic of Kazakhstan, the National Bank of the Republic of Kazakhstan and (or) its subsidiaries are used, shall ensure compliance with the conditions of the regulatory legal act of the authorized body specified in part two of this paragraph.

SECTION 2. ESTABLISHMENT AND LICENSING Chapter 3. PROCEDURE FOR ESTABLISHING A BANK

Article 7. Legal status of the bank

1. A bank shall be established in the form of a joint-stock company, subject to the specific features set by the banking legislation of the Republic of Kazakhstan.

2. The official status of a bank shall be determined by the state registration (re-registration) of a legal entity as a bank in the State Corporation "Government for Citizens" (hereinafter - the State Corporation), carried out on the basis of permission from the authorized body to establish a bank or permission from the authorized body for the voluntary reorganization of a microfinance organization in the form of conversion into a bank, and by the existence of a banking license.

3. The name of the bank must meet the following requirements:

1) contain the word "bank" or a word derived from it;

2) not to use the words “national”, “central”, “state”, “republican” in full or abbreviated form in any language;

3) not to use words and (or) designations that are identical or similar to the point of confusion with the names of previously established banks, including banks that are non-residents of the Republic of Kazakhstan, with the exception of the names of subsidiary banks;

4) contain the name of the parent bank (for the name of a subsidiary bank);

5) contain the phrase "Islamic bank" (for the name of an Islamic bank).

4. The location of the bank shall be recognized as the location (postal address) of the bank ’s board of directors.

5. The charter of an Islamic bank and the charter of a bank with a universal banking license carrying out Islamic banking operations, in addition to the information provided for by the Law of the Republic of Kazakhstan "On Joint-Stock Companies", must contain a description of the functions and the procedure for creating a permanent body of the bank - a council on the principles of Islamic finance.

6. In the event of a change in the name of the bank and (or) its location, the bank shall be obliged, within fourteen calendar days from the date of state registration of such changes or from the date of notification of the State Corporation of such changes in cases where their state registration is not required, to submit to the authorized body copies of documents confirming such changes.

7. A liquidated bank shall lose its official status as a bank from the date of state registration of the termination of its activities in the State Corporation, carried out in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

Article 8. Authorized and equity capital of the bank

1. The authorized capital of the bank shall be formed in the national currency of the Republic of Kazakhstan through the placement of shares, except for the cases established by paragraph 3 of this Article.

2. The minimum amounts of the authorized capital of a bank with a universal banking license, a bank with a basic banking license, and an Islamic bank shall be established by a regulatory legal act of the authorized body.

The minimum amount of the authorized capital of a newly created bank must be paid in full by its founders within thirty calendar days after the state registration of the bank.

3. When shares of the bank are placed, they must be paid for in cash only, with the exception of the following cases:

1) conversion of the bank's liabilities into ordinary shares of the bank within the framework of the application of the settlement regime to such bank;

2) conversion of securities into bank shares on the basis of the prospectus for the issue of securities convertible into bank shares;

3) exchange of outstanding shares of a bank of one type for shares of the same bank of another type on the basis of the bank's charter and the prospectus for the issue of the bank's shares;

4) payment for bank shares during reorganization carried out in accordance with the procedure established by the Law of the Republic of Kazakhstan "On Joint Stock Companies" ;

5) voluntary reorganization of a microfinance organization in the form of conversion into a bank - before the microfinance organization submits an application for conversion.

In the cases established by part one of this paragraph, an assessment of the property used to pay for shares shall not be required.

4. The minimum equity capital of a bank created as a result of the voluntary reorganization of a microfinance organization in the form of conversion into a bank must comply with the requirements of subparagraph 1) of part two of paragraph 1 of Article 72 of this Law on the date of filing an application for a banking license.

Article 9. Founders and shareholders of the bank

1. The founders and shareholders of the bank may be individuals and (or) legal entities, residents and (or) non-residents of the Republic of Kazakhstan, taking into account the restrictions established by paragraphs 2 and 4 of this Article.

The state may be a founder and (or) shareholder of a bank only in the person of the Government of the Republic of Kazakhstan, with the exception of cases provided for in paragraph 4 of Article 4 and part one of paragraph 4 of Article 94 of this Law.

The authorized body, for the purpose of carrying out an operation for the simultaneous transfer of assets and liabilities of a bank in the resolution mode provided for in Article 98 of this Law, may be the sole founder of the stabilization bank.

State-owned enterprises and organizations in which more than fifty percent of the voting shares or equity interests in the authorized capital belong to the state cannot be founders or shareholders of a bank, with the exception of the national management holding.

2. No person, independently or jointly with another person (other persons), without obtaining the prior written consent of the authorized body, shall have the right to:

directly and (or) indirectly own and (or) use and (or) dispose of in aggregate ten or more percent of the voting shares of the bank, including through derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is the voting shares of the bank;

exercise control over the bank;

exert direct and/or indirect influence on decisions made by the bank (vote) with ten or more percent of the bank’s voting shares.

The requirement established by part one of this paragraph shall not apply to:

the Government of the Republic of Kazakhstan;

the national management holding;

a unified accumulative pension fund, managing an investment portfolio that owns voting shares of a bank and (or) derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is voting shares of a bank, at the expense of pension assets;

a person performing the functions of a nominee holder of voting shares of a bank and (or) derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is the voting shares of the bank, as well as the issuer of the said derivative securities;

a person who has the exclusive right to receive dividends and (or) other income on bank shares without the ability to influence decisions made by the bank;

other persons specified in paragraph 19 of Article 9-5 of the Law of the Republic of Kazakhstan "On state regulation, control and supervision of the financial market and financial organizations."

Requirements for persons who directly and (or) indirectly own and (or) use and (or) control in aggregate ten or more percent of the voting shares of a bank, including through derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is the voting shares of the bank, or who exercise control over the bank, or who directly and (or) indirectly influence the decisions made by the bank (voting) ten or more percent of the voting shares of the bank, as well as the procedure for such persons to obtain consent to acquire the status of a major participant in a bank or bank holding company shall be established by Article 9-5 of the Law of the Republic of Kazakhstan "On state regulation, control and supervision of the financial market and financial organizations".

3. A bank must have at least one major participant in the bank or one bank holding company, except in cases where more than fifty percent of the voting shares of the bank belong to the Government of the Republic of Kazakhstan or a national management holding company.

4. A major participant in a bank or a banking holding company may not be registered in offshore zones, the list of which is established by a regulatory legal act of the authorized body .

This restriction shall not apply to a bank that is a subsidiary of a non-resident bank in the Republic of Kazakhstan that has the minimum required rating from one of the rating agencies. The list of rating agencies and the minimum required rating shall be determined by a regulatory act of the authorized body.

5. Persons shall be recognized as major participant in a bank if they directly and (or) indirectly own and (or) use and (or) control in aggregate ten or more percent of the voting shares of the bank, including through derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is the voting shares of the bank, if any of the following conditions are met:

1) the specified persons jointly influence the bank's decisions by virtue of an agreement concluded between them (supporting documents);

2) the specified persons are individually or mutually major participants of each other;

3) one of the specified persons has authorized (obligated) the other specified person to acquire voting shares of the bank and (or) derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is the voting shares of the bank, in accordance with the agreement concluded between them, except for cases related to the provision of brokerage services, investment portfolio management services and (or) services for the nominal holding of securities;

4) one of the specified persons provided, free of charge, money and (or) other property to another specified person for the acquisition of voting shares of the bank and (or) derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is the voting shares of the bank;

5) one of the specified persons is an official of the other specified person;

6) one of the specified persons is a representative of the other specified person, except in cases where the representative acts in strict accordance with the instructions of the represented person and shall not have the right to perform actions on behalf of the represented person at his own discretion;

7) the specified persons are close relatives or spouses;

8) the specified persons jointly influence the bank's decisions in other ways in cases established by the authorized body.

6. Persons shall be recognized as jointly constituting a bank holding company if they directly and (or) indirectly own and (or) use and (or) control in aggregate twenty-five or more percent of the voting shares of the bank, including through derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is the voting shares of the bank, if any of the following conditions are met:

1) the specified persons jointly influence the bank's decisions by virtue of an agreement concluded between them (supporting documents);

2) the specified persons are individually or mutually major participants of each other;

3) one of the specified persons has authorized (obligated) the other specified person to acquire voting shares of the bank and (or) derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is the voting shares of the bank, in accordance with the agreement concluded between them, except for cases related to the provision of brokerage services, investment portfolio management services and (or) services for the nominal holding of securities;

4) one of the specified persons provided, free of charge, money and (or) other property to another specified person for the acquisition of voting shares of the bank and (or) derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is the voting shares of the bank;

5) one of the specified persons is a representative of the other specified person, except in cases where the representative acts in strict accordance with the instructions of the person being represented and shall not have the right to perform actions on behalf of the person being represented at his own discretion;

6) the specified persons jointly influence the bank's decisions in other ways in cases established by the authorized body.

7. Persons who directly and (or) indirectly own and (or) use and(or control in aggregate ten or more percent of the voting shares of the bank, including through derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is the voting shares of the bank, acting on the basis of an agreement concluded between them, providing for their adoption of joint decisions exclusively on the following issues, shall not be recognized as a major participant in the bank or a bank holding company:

1) convening an extraordinary general meeting of shareholders of the bank;

2) filing a claim with the court to convene a general meeting of shareholders of the bank in the event of a refusal to convene it by the board of directors of the bank;

3) inclusion of additional issues in the agenda of the general meeting of shareholders of the bank;

4) convening a meeting of the bank's board of directors;

5) conducting an audit of the bank by an audit organization at their own expense.

8. If a person begins to meet the criteria of a major participant in a bank or bank holding company without the written consent of the authorized body, this person shall not have the right to take any actions aimed at influencing decisions made in the bank, and (or) to vote with the bank's shares and (or) derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is the voting shares of the bank, until it receives the written consent of the authorized body in accordance with Article 9-5 of the Law of the Republic of Kazakhstan "On State Regulation, Control and Supervision of the Financial Market and Financial Organizations."

The authorized body shall have the right to apply supervisory response measures provided for by this Law to a person who meets the criteria of a major participant in a bank or banking holding company without the written consent of the authorized body, including requiring that the specified person sell the voting shares of the bank and (or) derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is the voting shares of the bank, within a period of no more than six months.

9. The authorized body shall have the right to request information confirming or refuting information that a person meets the criteria of a major participant in a bank or banking holding company without the written consent of the authorized body.

The specified information may be requested by the authorized body from any person in possession of it, as well as from any organization under the control of such person.

10. The bank shall be obliged to notify the authorized body of any change in the composition of persons owning and (or) using and (or) disposing in aggregate of ten or more percent of the voting shares of the bank, including through derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is the voting shares of the bank, within fifteen calendar days from the date of establishment of this fact.

11. Resident individuals who are major participants in a bank, as well as their spouses, shall be required to submit an annual income and property declaration in the manner and within the timeframes established by the tax legislation of the Republic of Kazakhstan.

12. The procedure for establishing the signs of control, the signs of a major participant in a bank, a bank holding company, and significant participation in the capital of an organization shall be determined by a regulatory legal act of the authorized body and shall include:

1) establishing cases of direct and (or) indirect influence exerted by an individual or legal entity on decisions (votes) taken by the bank by ten or more percent of the voting shares of the bank for the purpose of establishing the characteristics of a major participant in the bank;

2) establishing cases of a legal entity exerting direct and (or) indirect influence on decisions (votes) taken by the bank by twenty-five or more percent of the bank's voting shares for the purposes of establishing the characteristics of a bank holding company;

3) determination of cases of joint influence on the bank's decisions in other ways by persons who directly and (or) indirectly own and (or) use and (or) control in aggregate ten or more percent of the bank's voting shares, including through derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is the bank's voting shares, for the purposes of recognizing them as persons who are jointly a major participant in the bank or a bank holding company;

4) establishing cases where one person, independently or jointly with one or more persons , can determine the decisions of a legal entity in another way for the purposes of establishing signs of control;

5) establishing cases of direct and (or) indirect ownership and (or) use and (or) disposal, independently or jointly with one or more persons, of twenty or more percent of voting shares , participation interests, units or other forms of equity participation in an organization for the purposes of establishing signs of significant participation in the capital of the organization.

Article 10. Application for permission to establish a bank

1. An individual or legal entity shall have the right to apply to the authorized body with an application for permission to establish a bank.

2. An application for permission to establish a bank shall be submitted by the applicant in the form set by the authorized body.

3. The application for a permission to establish a bank must be accompanied by the following documents and information:

1) a copy of the minutes of the constituent meeting (decision of the sole founder), drawn up in accordance with the procedure established by the legislation of the Republic of Kazakhstan;

2) information on founders with a shareholding in the authorized capital of the bank of less than ten percent (according to the list determined by the regulatory legal act of the authorized body), including copies of the annual financial statements of the founder - legal entity (consolidated financial statements in the event that the founder - legal entity has subsidiaries) for the last two financial years, confirmed by audit reports, as well as a copy of the financial statements of the founder - legal entity for the last completed quarter before submitting the application.

In the absence, during the period from January 1 to June 1 of the current year, of an auditor's report confirming the financial statements for the last completed financial year, the founder - legal entity shall submit copies of the financial statements (consolidated financial statements if the founder - legal entity has subsidiaries) for the last completed financial year and the last completed quarter prior to the filing of the application, as well as copies of the annual financial statements (consolidated financial statements if the founder - legal entity has subsidiaries), confirmed by audit reports for the two years preceding the last completed financial year.

The financial statements specified in this subparagraph shall not be presented in the following cases:

if these financial statements are available on the Internet resource of the financial statements depository;

when the founder – a legal entity – is a financial institution – a non-resident of the Republic of Kazakhstan and these financial statements are posted and available in Kazakh, Russian or English on the Internet resource of this financial institution – a non-resident of the Republic of Kazakhstan or a foreign stock exchange;

3) documents and information in the manner specified in Article 9-5 of the Law of the Republic of Kazakhstan "On state regulation, control and supervision of the financial market and financial organizations", if the applicant receives the status of a major participant in a bank or banking holding company, with the exception of documents and information provided for in subparagraph 1) of paragraph 8, subparagraph 1) of paragraph 10 and paragraph 14 of Article 9-5 of the Law of the Republic of Kazakhstan "On state regulation, control and supervision of the financial market and financial organizations";

4) an application for permission to establish, acquire a subsidiary organization or a significant participation in the capital of an organization and a document confirming payment of the fee for issuing a permit, if the bank receives permission to establish a subsidiary bank or a significant participation in the capital of another bank in accordance with Article 9-6 of the Law of the Republic of Kazakhstan "On state regulation, control and supervision of the financial market and financial organizations";

5) copies of documents confirming the sources (origin) of funds used by an individual to acquire shares (payment of authorized capital) of the bank being created.

The sources of funds that can be used by an individual to acquire shares (pay for the authorized capital) of a bank being established have been defined in paragraph 7 of Article 9-5 of the Law of the Republic of Kazakhstan "On state regulation, control and supervision of the financial market and financial organizations";

6) a copy of the founding agreement, executed in accordance with the procedure established by the legislation of the Republic of Kazakhstan (notarized in the event of failure to submit the original for verification);

7) copies of documents confirming the authority of the person to submit the application and the documents and information attached thereto.

4. A legal entity that is a non-resident of the Republic of Kazakhstan and is the founder of a bank, in addition to the documents stipulated in paragraph 3 of this Article, shall be obliged

to attach to the application for permission to establish a bank a copy of the consent (permission) to own shares of a bank operating in the territory of the Republic of Kazakhstan, issued by the financial supervisory authority of the state of which the applicant is a resident, or a copy of confirmation from the financial supervisory authority of the state of which the applicant is a resident that such consent (permission) is not required.

5. A legal entity that is a non-resident of the Republic of Kazakhstan and is the founder of a bank created as part of the voluntary reorganization of a microfinance organization in the form of conversion into a bank shall be required to attach to the application for permission to voluntarily reorganize a microfinance organization in the form of conversion into a bank a copy of the consent (permission) to own shares of a bank operating in the territory of the Republic of Kazakhstan, issued by the financial supervisory authority of the state of which the applicant is a resident, or a copy of confirmation from the financial supervisory authority of the state of which the applicant is a resident that such consent (permission) is not required.

6. The authorized body shall have the right to request additional information or documents necessary for making a decision on issuing a permission to establish a bank.

7. The procedure for issuing a permission to establish a bank shall be determined by the regulatory legal act of the authorized body.

The procedure for issuing a permit for the voluntary reorganization of a microfinance organization in the form of conversion into a bank shall be determined by the Law of the Republic of Kazakhstan "On Microfinance Activities".

8. An application for permission to establish a bank shall be considered by the authorized body within sixty-five working days from the date of submission of the application.

The authorized body shall have the right to suspend the period for consideration of an application for a permission to establish a bank in any of the following cases:

identification of inaccurate data (information) about the applicant and (or) its founders contained in the submitted documents and (or) information;

discrepancies between the content of the submitted documents and (or) information and the requirements of the legislation of the Republic of Kazakhstan;

the need to verify the accuracy of the data (information) in the submitted documents and information.

The period for the applicant to address the comments of the authorized body regarding the submitted documents and (or) information shall not exceed ten working days.

The period for consideration of an application for a permission to establish a bank shall be resumed after the applicant has eliminated the comments of the authorized body regarding the submitted documents and (or) information and the authorized body has completed the verification of the accuracy of the data (information) in the specified documents and (or) information or in the event of the applicant's failure to submit corrected (revised) documents and (or) information within the period established by part three of this paragraph.

9. Notification of the issuance of a permission to establish a bank shall be sent to the applicant and to the State Corporation.

Article 11. Refusal to issue a permission to establish a bank

1. Refusal to issue a permission to establish a bank shall be made on any of the following grounds:

1) non-compliance of the name of the bank with the requirements of paragraph 3 of Article 7 of this Law;

2) unstable financial position of the bank's founder.

An unstable financial situation shall be defined as the presence of any of the following characteristics:

the liabilities of the bank's founder exceed its assets minus the amount of assets placed in shares, equity interests, units or other forms of equity participation in organizations and shares of the bank intended for acquisition;

losses of the bank's founder based on the results of each of the two completed financial years;

the size of the bank founder's liabilities represents a significant risk to the bank's financial condition;

an analysis of the financial consequences of the acquisition by the bank's founder of the status of a major participant in the bank (bank holding company) suggests a deterioration in the financial condition of the bank's founder;

the value of the property of the bank's founder (minus its liabilities) is insufficient to acquire the bank's shares;

other grounds, identified using reasoned judgment, indicating the presence of an unstable financial position of the bank's founder and (or) the possibility of causing damage to the bank and (or) its depositors and other creditors.

In the event of the creation of a bank as part of a voluntary reorganization of a microfinance organization in the form of conversion into a bank, only the person acquiring the status of a major participant in the bank (bank holding) must not have an unstable financial position;

3) in cases where the founder of the bank is an individual or the first head of the executive body and (or) the governing body of the founder - a legal entity:

has an outstanding or unremoved criminal record;

held the position of the first head of the management body, the first head of the executive body or his deputy, chief accountant, deputy chief accountant of a financial institution, including a financial institution that is a non-resident of the Republic of Kazakhstan, for a period of no more than one year prior to the adoption by the authorized body or the financial supervisory body of the state of which the financial institution that is a non-resident of the Republic of Kazakhstan of a decision to apply the settlement regime, a decision to revoke the license of the financial institution, including a financial institution that is a non-resident of the

Republic of Kazakhstan, which entailed their liquidation and (or) termination of activities in the financial market, or the entry into force of a judicial act on the forced liquidation of the financial institution, including a financial institution that is a non-resident of the Republic of Kazakhstan, or recognition of it as insolvent (bankrupt) in the manner established by the legislation of the Republic of Kazakhstan or the legislation of the state of which the financial institution - a non-resident of the Republic of Kazakhstan is a resident.

The grounds for refusal to issue a permission to establish a bank, provided for in paragraph three of this subparagraph, shall apply for ten years after the adoption of the relevant decision by the authorized body or the financial supervisory body of the state of which the financial organization - non-resident of the Republic of Kazakhstan is a resident, or the entry into force of the relevant judicial act.

For the purposes of this subparagraph, a financial organization also means a branch of a bank that is a non-resident of the Republic of Kazakhstan, a branch of an insurance (reinsurance) organization that is a non-resident of the Republic of Kazakhstan, a branch of an insurance broker that is a non-resident of the Republic of Kazakhstan;

4) failure to comply with the restrictions established by Article 9 of this Law;

5) failure to comply with the requirements established by Article 10 of this Law and Article 9-5 of the Law of the Republic of Kazakhstan "On state regulation, control and supervision of the financial market and financial organizations";

6) refusal of the authorized body to issue consent to the acquisition of the status of a major participant in a bank (bank holding);

7) refusal of the authorized body to issue a permit to establish a subsidiary bank or a significant participation in the capital of another bank;

8) failure to eliminate the comments of the authorized body on the submitted documents and (or) information within the time period specified in part three of paragraph 8 of Article 10 of this Law;

9) inaccuracy of data (information) in the documents and (or) information submitted by the applicant to obtain a permission.

2. The authorized body shall be obliged to notify the applicant in writing of the refusal to issue a permission to establish a bank, with a justification for the reason of refusal.

Article 12. Validity period of the permission to establish a bank

1. A permission to establish a bank shall have legal force until the authorized body makes a decision to issue a banking license to the bank or until one of the cases provided for in paragraphs 2 and 3 of this Article occurs.

2. The issued permission to establish a bank shall be considered cancelled in the following cases:

1) adoption by the founders (shareholders) of the bank of a decision on the voluntary termination of the bank’s activities through its reorganization or liquidation;

2) the court’s decision to terminate the bank’s activities;

3) failure to register a legal entity as a bank with the State Corporation within two months from the date of issuance of permission to open a bank;

4) revocation by the authorized body of the issued permission to establish a bank.

The authorized body shall revoke the issued permission to establish a bank if false data (information) is discovered in the documents and (or) information on the basis of which the permit was issued.

When revoking a permission to establish a bank, the authorized body shall make a decision to cancel the previously issued permission within two months from the date of discovery of the fact that is the ground is for revoking the permit;

5) failure to obtain a banking license within one year from the date of issue of permission to open a bank.

3. The founder (shareholder) of a bank shall have the right to voluntarily refuse the permission issued to him to establish a bank by returning the permission to establish a bank to the authorized body.

In this case, the bank shall be obliged to re-register as another organization or terminate its activities in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

4. In the cases provided for in paragraphs 2 and 3 of this Article, previously issued consent to acquire the status of a major participant in a bank (bank holding company) shall be considered cancelled.

Article 13. Voluntary reorganization of a microfinance organization in the form of conversion to the bank

1. State re-registration of a microfinance organization as a bank within the framework of the voluntary reorganization of a microfinance organization in the form of conversion into a bank shall be carried out by the State Corporation on the basis of permission from the authorized body for the voluntary reorganization of a microfinance organization in the form of conversion into a bank and a report on the implementation of measures envisaged by the action plan for the conversion of a microfinance organization into a bank approved by the authorized body.

A bank created as a result of the voluntary reorganization of a microfinance organization in the form of conversion into a bank shall be the legal successor of all rights (claims) and obligations of the specified microfinance organization.

2. A bank created as a result of the voluntary reorganization of a microfinance organization in the form of conversion into a bank, within ten working days after receiving a banking license, shall send a notification to clients in the manner stipulated by the agreement on the provision of a microloan, about the voluntary reorganization of the microfinance organization in the form of conversion into a bank, indicating the types of operations that the specified bank is entitled to carry out.

A bank created as a result of the voluntary reorganization of a microfinance organization in the form of conversion into a bank shall be prohibited from unilaterally changing the terms of microcredit agreements, with the exception of changing the terms of microcredit agreements in the direction of improving them for borrowers.

Chapter 4. PROCEDURE FOR ESTABLISHING A BRANCH OF A NON-RESIDENT BANK OF THE REPUBLIC OF KAZAKHSTAN

Article 14. Legal status of a branch of a bank – non-resident of the Republic of Kazakhstan

1. The official status of a branch of a bank that is a non-resident of the Republic of Kazakhstan shall be determined by its registration (re-registration) with the State Corporation, carried out on the basis of permission from the authorized body to establish a branch of a bank that is a non-resident of the Republic of Kazakhstan, and the presence of a banking license.

2. The name of a branch of a bank that is a non-resident of the Republic of Kazakhstan must meet the following requirements:

1) contain the name of the bank – non-resident of the Republic of Kazakhstan, as well as the word “branch”;

2) not to use words and (or) designations that are identical or similar to the point of confusion with the names of other banks, including banks that are not residents of the Republic of Kazakhstan;

3) contain the phrase “Islamic bank” (for the name of a branch of an Islamic bank that is not a resident of the Republic of Kazakhstan).

3. The location of a branch of a bank that is a non-resident of the Republic of Kazakhstan shall be recognized as its location on the territory of the Republic of Kazakhstan, specified in the regulations on the branch of the bank that is a non-resident of the Republic of Kazakhstan.

4. The regulations on the branch of an Islamic bank that is a non-resident of the Republic of Kazakhstan and the regulations on the branch of a bank that is a non-resident of the Republic of Kazakhstan with a universal banking license that carries out Islamic banking operations, in addition to the information provided for by the legislation of the Republic of Kazakhstan, must contain a description of the functions of the council on the principles of Islamic finance or another similar body that is permanently operating in the bank that is a non-resident of the Republic of Kazakhstan.

5. In the event of a change in the name of a branch of a bank that is a non-resident of the Republic of Kazakhstan and (or) its location, the branch of the bank that is a non-resident of the Republic of Kazakhstan shall be obliged, within fourteen calendar days from the date of state registration of such changes or from the date of notification of the State Corporation of such changes in cases where their state registration is not required, to submit to the authorized body copies of documents confirming such changes.

Article 15. Requirements for establishing a branch of a bank – non-resident of the Republic of Kazakhstan

A bank that is a non-resident of the Republic of Kazakhstan shall have the right to apply to the authorized body for permission to establish a branch in the territory of the Republic of Kazakhstan if all of the following conditions are met:

1) the total amount of assets of a bank that is a non-resident of the Republic of Kazakhstan must not be less than the amount equivalent to ten billion US dollars;

2) a bank that is a non-resident of the Republic of Kazakhstan must be a legal entity under the legislation of the state of which it is a resident;

3) the state of which the non-resident bank of the Republic of Kazakhstan is a resident participates in international cooperation in the field of prevention and counteraction to legalization (laundering) of proceeds obtained through criminal means, financing of terrorism, and financing of the proliferation of weapons of mass destruction, and also cooperates with the Financial Action Task Force on Money Laundering (FATF);

4) availability of consent (permission) for establishing by a bank - non-resident of the Republic of Kazakhstan of a branch on the territory of the Republic of Kazakhstan, issued by the financial supervisory authority of the state of which the bank - non-resident of the Republic of Kazakhstan is a resident, in cases where such consent (permission) is required by the legislation of such state;

5) a bank that is a non-resident of the Republic of Kazakhstan has a valid license (valid permit) to carry out banking activities, issued by the financial supervisory authority of the state of which the non-resident bank of the Republic of Kazakhstan is a resident;

6) a bank that is a non-resident of the Republic of Kazakhstan has the minimum required rating from one of the rating agencies, the list of which is established by a regulatory legal act of the authorized body;

7) the absence of violations by a bank that is a non-resident of the Republic of Kazakhstan of the capital adequacy ratios and liquidity ratios established by the legislation of the state of which the bank that is a non-resident of the Republic of Kazakhstan is a resident, during the last twelve months preceding the day of filing an application for permission to open a branch in the territory of the Republic of Kazakhstan.

Article 16. Application for permission to establish a branch of a non-resident bank of the Republic of Kazakhstan

1. An application for permission to establish a branch of a bank that is a non-resident of the Republic of Kazakhstan shall be submitted by the applicant in the form established by the authorized body.

2. The following documents and information shall be attached to the application for permission to establish a branch of a bank – non-resident of the Republic of Kazakhstan:

1) notarized copies of the constituent documents of a bank that is a non-resident of the Republic of Kazakhstan;

2) a copy of the current license (current permit) of a bank - non-resident of the Republic of Kazakhstan to carry out banking activities, issued by the financial supervisory authority of the state of which the bank - non-resident of the Republic of Kazakhstan is a resident, indicating the list of banking and other operations permitted under the license (permit);

3) a copy of the decision of a bank – non-resident of the Republic of Kazakhstan on establishing a branch in the territory of the Republic of Kazakhstan, which contains, among other things, decisions on the following issues:

on the acceptance by a bank – non-resident of the Republic of Kazakhstan of liability for obligations arising in the process of carrying out the activities of its branch in the territory of the Republic of Kazakhstan, and on the accounting of such obligations on the balance sheet of the bank – non-resident of the Republic of Kazakhstan;

on approval of the amount of assets of a branch of a bank – non-resident of the Republic of Kazakhstan, accepted as a reserve, in accordance with paragraph 4 of Article 72 of this Law;

4) a copy of the consent (permission) to establish branch of a bank - non-resident of the Republic of Kazakhstan on the territory of the Republic of Kazakhstan, issued by the financial supervisory authority of the state of which the bank - non-resident of the Republic of Kazakhstan is a resident, or a copy of confirmation from the financial supervisory authority of the state of which the bank - non-resident of the Republic of Kazakhstan is a resident that such consent (permission) is not required;

5) information on persons who directly or indirectly own ten or more percent of shares (stakes in the authorized capital) of a bank that is a non-resident of the Republic of Kazakhstan , and persons who exercise control over a bank that is a non-resident of the Republic of Kazakhstan, as provided for by the regulatory legal act of the authorized body, as well as copies of documents confirming this information;

6) copies of the annual financial statements of a bank that is a non-resident of the Republic of Kazakhstan (consolidated financial statements if the bank that is a non-resident of the Republic of Kazakhstan has subsidiaries) for the last two financial years, confirmed by audit reports, as well as a copy of the financial statements of the bank that is a non-resident of the Republic of Kazakhstan for the last completed quarter prior to the submission of the application.

In the absence, during the period from January 1 to June 1 of the current year, of an auditor's report confirming the financial statements for the last completed financial year, a bank that is a non-resident of the Republic of Kazakhstan shall submit copies of the financial statements (consolidated financial statements if the bank that is a non-resident of the Republic of Kazakhstan has subsidiaries) for the last completed financial year and the last completed quarter prior to the submission of the application, as well as copies of the annual financial statements (consolidated financial statements if the bank that is a non-resident of the Republic of Kazakhstan has subsidiaries), confirmed by the auditor's reports for the two years preceding the last completed financial year.

The financial statements specified in this subparagraph shall not be submitted in cases where these financial statements are posted and available in Kazakh, Russian or English on the Internet resource of a bank that is a non-resident of the Republic of Kazakhstan or a foreign stock exchange;

7) brief information on the executives of the bank – non-resident of the Republic of Kazakhstan in the form established by the authorized body;

8) copies of documents confirming the authority of the person to submit the application and the documents and information attached thereto.

3. The requirements for the submission of documents confirming the information specified in subparagraph 5) of paragraph 2 of this Article, as well as the documents provided for in subparagraph 7) of paragraph 2 of this Article, shall not apply to a bank that is a non-resident of the Republic of Kazakhstan if it has a credit rating of at least "A-" from one of the rating agencies, the list of which is established by a regulatory legal act of the authorized body.

4. The authorized body shall have the right to request additional information or documents necessary for making a decision on issuing a permission to establish a branch of a bank that is a non-resident of the Republic of Kazakhstan.

5. The procedure for issuing a permission to establish a branch of a bank that is a non-resident of the Republic of Kazakhstan shall be determined by a regulatory legal act of the authorized body.

6. An application for permission to establish a branch of a bank that is a non-resident of the Republic of Kazakhstan shall be considered by the authorized body within sixty-five working days from the date of submission of the application.

The authorized body shall have the right to suspend the period for consideration of an application for a permission to establish a branch of a bank that is a non-resident of the Republic of Kazakhstan in any of the following cases:

identification of inaccurate data (information) about the applicant and (or) its founders contained in the submitted documents and (or) information;

discrepancies between the content of the submitted documents and (or) information and the requirements of the legislation of the Republic of Kazakhstan;

the need to verify the accuracy of the data (information) in the submitted documents and information.

The period for the applicant to address the comments of the authorized body regarding the submitted documents and (or) information shall not exceed ten working days.

The period for consideration of an application for a permission to establish a branch of a bank - non-resident of the Republic of Kazakhstan shall be resumed after the applicant has eliminated the comments of the authorized body on the submitted documents and (or) information and the authorized body has completed the verification of the accuracy of the data (information) in the said documents and (or) information or in the event of failure by the applicant to submit corrected (revised) documents and (or) information within the period established by part three of this paragraph.

7. Notification of the issuance of permission to establish a branch of a bank – non-resident of the Republic of Kazakhstan shall be sent to the bank – non-resident of the Republic of Kazakhstan and the State Corporation.

Article 17. Refusal to issue a permission to establish a branch of a bank – non-resident of the Republic of Kazakhstan

1. A permission to establish a branch of a bank that is a non-resident of the Republic of Kazakhstan may be refused for any of the following reasons:

1) non-compliance of the name of a branch of a bank – non-resident of the Republic of Kazakhstan with the requirements established by paragraph 2 of Article 14 of this Law;

2) the lack of an impeccable business reputation of the bank’s executive employee, a non-resident of the Republic of Kazakhstan, opening a branch in the territory of the Republic of Kazakhstan;

3) failure to comply with the requirements established by Article 15 of this Law;

4) failure to eliminate the comments of the authorized body on the submitted documents and (or) information within the time period specified in part three of paragraph 6 of Article 16 of this Law;

5) inaccuracy of data (information) in documents and (or) information submitted to obtain permission.

2. The authorized body shall be obliged to notify the bank - non-resident of the Republic of Kazakhstan in writing about the refusal to issue a permission to establish a branch of the bank - non-resident of the Republic of Kazakhstan with a justification of the reason for refusal.

Article 18. Validity period of the permission to establish a branch of a bank –non-resident of the Republic of Kazakhstan

1. A permission to establish a branch of a bank that is a non-resident of the Republic of Kazakhstan shall have legal force until the authorized body makes a decision to issue a banking license to the branch of the bank that is a non-resident of the Republic of Kazakhstan or until one of the cases provided for in paragraphs 2 and 3 of this Article occurs.

2. The issued permission to establish a branch of a bank – non-resident of the Republic of Kazakhstan shall be considered cancelled in the following cases:

1) the adoption by a bank – a non-resident of the Republic of Kazakhstan of a decision on voluntary termination of the activities of its branch on the territory of the Republic of Kazakhstan;

2) suspension of the validity or revocation of a license (permit) for a bank – non-resident of the Republic of Kazakhstan to carry out banking activities, issued by the financial supervisory authority of the state of which the bank – non-resident of the Republic of Kazakhstan is a resident;

3) failure to register a branch of a bank that is a non-resident of the Republic of Kazakhstan with the State Corporation within two months from the date of issuance of permission to open a branch of a bank that is a non-resident of the Republic of Kazakhstan;

4) revocation by the authorized body of the issued permission to establish a branch of a bank – non-resident of the Republic of Kazakhstan.

The authorized body shall revoke the permission to establish a branch of a bank that is a non-resident of the Republic of Kazakhstan if inaccurate data (information) is discovered in the documents and (or) information on the basis of which the permit was issued.

When revoking a permission to establish a branch of a bank that is a non-resident of the Republic of Kazakhstan, the authorized body shall make a decision to cancel the previously issued permission within two months from the date of discovery of the fact that is the ground for revoking the permission;

5) failure to obtain a banking license within one year from the date of issue of permission to establish a branch of a bank that is a non-resident of the Republic of Kazakhstan.

3. A bank that is a non-resident of the Republic of Kazakhstan shall have the right to voluntarily refuse the permission issued to it to establish a branch of a bank that is a non-resident of the Republic of Kazakhstan by returning the permission to establish a branch of a bank that is a non-resident of the Republic of Kazakhstan to the authorized body.

In this case, a bank that is a non-resident of the Republic of Kazakhstan shall be obliged to terminate the activities of its branch on the territory of the Republic of Kazakhstan by removing the specified branch from the registration in the manner established by the legislation of the Republic of Kazakhstan.

5. BANKING LICENSE

Article 19. Licensing of banking activities

1. A banking license shall be issued by an authorized body.

The procedure for issuing a banking license to banks and branches of banks that are non-residents of the Republic of Kazakhstan shall be determined by the regulatory legal act of the authorized body.

2. The applicant shall be obliged to submit to the authorized body an application for a banking license in the form established by the authorized body, within one year from the date of issue by the authorized body of:

a permission to establish a bank or a branch of a bank – a non-resident of the Republic of Kazakhstan;

a permission for the voluntary reorganization of a microfinance organization in the form of conversion into a bank, but no later than thirty calendar days before the end of the conversion period established in the specified permission.

3. Prior to submitting the application for a universal banking license or a basic banking license for the first time, the applicant shall be obliged to complete all organizational and technical measures related to the planned commencement of banking activities, including:

1) to prepare premises, equipment and software for the automation of accounting and the general ledger, in accordance with the requirements of the regulatory legal acts of the authorized body and the National Bank of the Republic of Kazakhstan;

2) to approve the rules on general conditions for carrying out banking and other operations;

3) to approve the applicant's development strategy for the next three years, which meets the requirements of the authorized body for the risk management and internal control system;

4) to approve other internal documents related to the implementation of banking activities, including those necessary for the formation of a risk management and internal control system, in accordance with the requirements established by the regulatory legal acts of the authorized body.

4. Prior to submitting an application for a license to carry out Islamic banking and other operations for the first time, the applicant shall be obliged to complete all organizational and technical measures related to the planned commencement of Islamic banking and other operations, including:

1) to prepare premises, equipment and software for the automation of accounting and the general ledger, in accordance with the requirements of the regulatory legal acts of the authorized body and the National Bank of the Republic of Kazakhstan;

2) to approve the regulations on the council on the principles of Islamic finance;

3) to appoint the head and members of the council on the principles of Islamic finance;

4) to approve the rules on the general conditions for carrying out Islamic banking and other operations;

5) to approve the applicant's development strategy for the next three years, which meets the requirements of the authorized body for the risk management and internal control system;

6) to approve other internal documents related to the implementation of Islamic banking and other operations, including those necessary for the formation of a risk management and internal control system, in accordance with the requirements established by the regulatory legal acts of the authorized body.

5. Prior to submitting an application for a universal banking license and a license to carry out Islamic banking and other operations simultaneously for the first time, the applicant shall be obliged to:

1) comply with the requirements established by paragraphs 3 and 4 of this Article;

2) ensure the formation of allocated assets for the implementation of Islamic banking operations, the minimum size of which is established by the authorized body;

3) ensure separate accounting of assets and liabilities related to Islamic banking operations from other assets and liabilities of the bank.

6. List of documents submitted by an applicant – a legal entity for the first time to obtain a universal banking license or a basic banking license:

1) an application in which the applicant, among other things, confirms the fulfillment of the requirements and organizational and technical measures related to the planned commencement of banking activities, as provided for in paragraph 3 of this Article;

2) a notarized copy of the applicant's charter;

3) a document confirming payment to the budget of a license fee for the right to engage in certain types of activities, except in cases where the said fee is paid through the e-government payment gateway;

4) documents required for the approval of persons proposed for management positions, in accordance with the requirements established by Article 45 of this Law and Article 9-4 of the Law of the Republic of Kazakhstan "On State Regulation, Control and Supervision of the Financial Market and Financial Organizations";

5) a copy of the applicant's development strategy for the next three years, which complies with the requirements of the authorized body for the risk management and internal control system.

The applicant's development strategy shall include information on the applicant's organizational structure, the applicant's budget for the financial year in which the application is submitted, including forecast data on the applicant's compliance with prudential standards, as well as the expected calculation of the prudential standards of the banking conglomerate of which the applicant will be a part, in the event that the acquisition of the status of a banking holding company by the applicant's parent organization leads to the creation of a banking conglomerate.

If the application is submitted less than two months before the end of the financial year, the applicant's development strategy shall additionally include the information provided for in the part two of this subparagraph for the financial year following the year in which the application is submitted;

6) the applicant's staffing schedule indicating the last names, first names and patronymics (if they are indicated in the identity documents) of employees;

7) copies of documents confirming payment of the bank's authorized capital, the minimum amount of which is established by the regulatory legal act of the authorized body;

8) copies of documents confirming the authority of the person to submit the application and the documents and information attached thereto.

7. List of documents submitted by an applicant – a legal entity for the first time to obtain a license to carry out Islamic banking and other operations:

1) the documents specified in paragraph 6 of this Article;

2) a copy of the regulations on the council on the principles of Islamic finance;

3) information on persons appointed to the positions of a head and members of the council on the principles of Islamic finance, confirming their compliance with the requirements established by paragraphs 2 and 3 of Article 36 of this Law.

8. List of documents submitted by an applicant – a legal entity for the first time to simultaneously obtain a universal banking license and a license to carry out Islamic banking and other operations:

1) documents provided for in paragraphs 6 and 7 of this Article;

2) documents confirming the formation of allocated assets for Islamic banking operations, the minimum size of which is established by the authorized body.

9. A banking license to a branch of a bank that is a non-resident of the Republic of Kazakhstan shall be issued by the authorized body if the bank that is a non-resident of the Republic of Kazakhstan has a valid license (valid permit) to carry out banking activities issued by the financial supervisory authority of the state of which the bank that is a non-resident of the Republic of Kazakhstan is a resident, which are essentially similar to the types of operations that the branch of the bank that is a non-resident of the Republic of Kazakhstan plans to carry out on the territory of the Republic of Kazakhstan.

10. List of documents submitted by the applicant – a branch of a bank – non-resident of the Republic of Kazakhstan for the first time to obtain a universal banking license:

1) the documents provided for in subparagraphs 1), 3), 4), 5), 6) and 8) of paragraph 6 of this Article;

2) a notarized copy of the branch regulations approved by the governing body of the bank – non-resident of the Republic of Kazakhstan;

3) a written commitment (confirmation) of a bank – non-resident of the Republic of Kazakhstan to accept responsibility for obligations arising in the process of carrying out the activities of its branch in the territory of the Republic of Kazakhstan, and to record such obligations on the balance sheet of the bank – non-resident of the Republic of Kazakhstan;

4) a copy of the current license (current permit) of a bank – non-resident of the Republic of Kazakhstan, issued by the financial supervisory authority of the state of which the bank – non-resident of the Republic of Kazakhstan is a resident, indicating the list of permitted types of operations.

The specified license (permit) shall be submitted if, after filing an application for a permission to establish a branch of a bank - non-resident of the Republic of Kazakhstan, as provided for in paragraph 1 of Article 16 of this Law, the list of operations types that a bank - non-resident of the Republic of Kazakhstan has the right to carry out has been changed, or the bank - non-resident of the Republic of Kazakhstan has received a new license (new permit).

11. List of documents submitted by an applicant – a branch of a bank – non-resident of the Republic of Kazakhstan for the first time to obtain a license to carry out Islamic banking and other operations:

1) the documents specified in paragraph 10 of this Article;

2) a copy of the regulations (manual) on the council on the principles of Islamic financing or other similar body permanently operating in a bank that is a non-resident of the Republic of Kazakhstan;

3) information on persons appointed to the positions of a head and members of the council on the principles of Islamic financing or other similar body permanently operating in a bank that is a non-resident of the Republic of Kazakhstan.

12. List of documents submitted by an applicant – a branch of a bank – non-resident of the Republic of Kazakhstan for the first time to simultaneously obtain a universal banking license and a license to carry out Islamic banking and other operations:

1) the documents provided for in paragraph 11 of this Article;

2) documents confirming the formation of allocated assets for Islamic banking operations, the minimum size of which is established by the authorized body.

13. To obtain a banking license to carry out additional types of operations, an operating bank or an operating branch of a bank that is a non-resident of the Republic of Kazakhstan shall be required to:

1) ensure, during the three consecutive months preceding the application for a banking license to carry out additional types of operations, compliance with prudential standards and limits established by the authorized body, as well as macroprudential standards and limits established by the National Bank of the Republic of Kazakhstan;

2) approve the rules on general conditions for carrying out additional types of operations;

3) approve the updated plan for restoring financial stability, as provided for in Article 88 of this Law.

14. List of documents submitted by an operating bank, an operating branch of a bank - non-resident of the Republic of Kazakhstan to obtain a banking license to carry out additional types of operations:

1) an application in which the applicant, among other things, confirms compliance with the requirements provided for in paragraph 13 of this Article;

2) a copy of the updated plan for restoring financial stability, as provided for in Article 88 of this Law;

3) a document confirming payment to the budget of a license fee for the right to engage in certain types of activities, except in cases where the said fee is paid through the e-government payment gateway;

4) copies of documents confirming the authority of the person to submit the application and the documents and information attached thereto.

15. A bank or branch of a bank that is a non-resident of the Republic of Kazakhstan and has a universal banking license must, prior to submitting an application for an additional license to carry out Islamic banking operations, complete all organizational and technical measures related to the planned commencement of Islamic banking operations, including:

1) to comply with the requirements established by paragraph 13 of this Article;

2) to adopt a decision of the general meeting of shareholders of the bank, the management body of the bank - non-resident of the Republic of Kazakhstan on the intention to obtain a license to carry out Islamic banking and other operations;

3) to make changes and (or) additions to the charter provided for in paragraph 5 of Article 7 of this Law, to the regulations on the branch of a bank - non-resident of the Republic of Kazakhstan, provided for in paragraph 4 of Article 14 of this Law;

4) to approve the regulations on the council on the principles of Islamic financing, and also appoint the head and members of the council on the principles of Islamic financing (for the applicant bank);

5) to approve a strategy for the development of Islamic banking operations for the next three years that meets the requirements of the authorized body for the risk management and internal control system;

6) to form allocated assets for the implementation of Islamic banking operations, the minimum size of which is established by the authorized body;

7) to ensure separate accounting of assets and liabilities related to Islamic banking operations from other assets and liabilities of a bank or branch of a bank that is a non-resident of the Republic of Kazakhstan.

16. List of documents submitted by a bank or branch of a bank – non-resident of the Republic of Kazakhstan, holding a universal banking license, to obtain an additional license to carry out Islamic banking and other operations:

1) the documents provided for in paragraph 14 of this Article;

2) a copy of the decision of the general meeting of shareholders of the bank, the governing body of the bank - non-resident of the Republic of Kazakhstan on the intention to obtain a license to carry out Islamic banking and other operations;

3) a notarized copy of the charter and regulations of the branch of a bank that is a non-resident of the Republic of Kazakhstan, taking into account the requirements provided for in subparagraph 3) of paragraph 15 of this Article;

4) a copy of the regulations on the council on the principles of Islamic financing, as well as information on the persons appointed to the positions of a head and members of the council on the principles of Islamic financing, confirming their compliance with the requirements established by paragraphs 2 and 3 of Article 36 of this Law (for the applicant - a bank);

a copy of the regulations (manual) on the council on the principles of Islamic financing or other similar body permanently operating in a bank that is a non-resident of the Republic of Kazakhstan, as well as information on persons appointed to the positions of a head and members of the council on the principles of Islamic financing or other similar body permanently operating in a bank that is a non-resident of the Republic of Kazakhstan (for an applicant that is a branch of a bank that is a non-resident of the Republic of Kazakhstan);

5) a copy of the strategy for the development of Islamic banking operations for the next three years, which complies with the requirements of the authorized body for the risk management and internal control system;

6) documents confirming the formation of allocated assets, the minimum size of which is established by the authorized body.

17. An application for a banking license shall be considered by the authorized body within thirty working days from the date of submission by the applicant of documents and information that comply with the requirements of the legislation of the Republic of Kazakhstan.

An application for a banking license, submitted as part of the voluntary reorganization of a microfinance organization in the form of conversion into a bank, shall be reviewed by the authorized body within ten working days from the date of submission of documents and information that comply with the requirements of the legislation of the Republic of Kazakhstan.

An application for reissuing a banking license, including in the cases established by paragraph 2 of Article 21 of this Law, shall be considered by the authorized body within fifteen working days from the date of submission by the applicant of documents and information that comply with the requirements of the legislation of the Republic of Kazakhstan, with the exception of cases provided for in Article 34 of the Law of the Republic of Kazakhstan "On Permits and Notifications".

When reissuing a basic banking license to a universal banking license, provided that the applicant simultaneously requires a banking license to conduct additional types of operations, the applicant must comply with the requirements set forth in paragraphs 13 and 15 of this Article. In this case, the application for reissuing a banking license shall be reviewed by the authorized body within thirty business days from the date the applicant submits documents and information that comply with the requirements of the legislation of the Republic of Kazakhstan.

The authorized body shall have the right to suspend the period for consideration of the application provided for in parts one, two, three and four of this paragraph in any of the following cases:

identification of inaccurate data about the applicant and (or) its founders contained in the submitted documents and (or) information;

discrepancies between the content of the submitted documents and (or) information and the requirements of the legislation of the Republic of Kazakhstan;

the need to verify the accuracy of the data in the submitted documents and information.

The period for the applicant to address the comments of the authorized body regarding the submitted documents and (or) information shall not exceed ten working days.

The period for consideration of the application shall be resumed after the applicant has eliminated the comments of the authorized body regarding the submitted documents and (or) information and the authorized body has completed the verification of the accuracy of the data in the said documents and (or) information or in the event of the applicant's failure to submit corrected (revised) documents and (or) information within the period established by part six of this paragraph.

18. When issuing or renewing a banking license, the authorized body shall have the right to clarify the names of permitted types of operations in accordance with the legislation of the Republic of Kazakhstan.

19. A fee shall be charged for issuing a banking license, the amount and payment procedure of which shall be determined by the tax legislation of the Republic of Kazakhstan.

20. A banking license shall be issued for an unlimited period.

The banking license shall not be transferable to third parties.

All types of banking and other operations, Islamic banking operations can be carried out only if there is a direct indication in the banking license for the right to carry them out.

21. A copy of the banking license must be posted in a place accessible for viewing by clients of the bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, as well as on their Internet resources.

22. The legal status, procedure for the creation, licensing, regulation and termination of the activities of organizations carrying out certain types of banking operations, including the list of types of banking operations permitted for each of them, the grounds for issuing licenses to them to carry out certain types of banking operations and possible restrictions on their activities, shall be established by this Law and other laws of the Republic of Kazakhstan.

The procedure for issuing licenses to organizations carrying out certain types of banking operations, qualification requirements for conducting banking operations by organizations carrying out certain types of banking operations, as well as the list of documents confirming compliance with the specified qualification requirements, shall be determined by regulatory legal acts of the authorized body and the National Bank of the Republic of Kazakhstan within the limits of their competence.

23. A license to carry out certain types of banking operations shall be issued by the National Bank of the Republic of Kazakhstan to:

1) a legal entity whose exclusive activity is the collection of banknotes, coins and valuables, to carry out a banking operation provided for in subparagraph 12) of part one of paragraph 2 of Article 22 of this Law;

2) a legal entity operating exclusively through exchange offices, to carry out a banking operation, as provided for in subparagraph 7) of part one of paragraph 2 of Article 22 of this Law, with foreign currency in cash.

Article 20. Refusal to issue (reissue) a banking license

1. Refusal to issue (reissue) a banking license shall be made on any of the following grounds:

1) failure of the applicant to comply with any of the requirements established by Article 19 and paragraph 5 of Article 112 of this Law;

2) failure by the banking conglomerate, which includes the bank, to comply with prudential standards and limits in the period of six months prior to the filing of the application ;

3) failure to comply with the requirement to form assets of a branch of a bank – non-resident of the Republic of Kazakhstan, accepted as a reserve, established by paragraph 4 of Article 72 of this Law;

4) non-compliance of the bank’s authorized capital with the requirements of Article 8 of this Law;

5) the absence of a valid license (valid permit) for a bank - non-resident of the Republic of Kazakhstan to carry out banking activities issued by the financial supervisory authority of the state of which the bank - non-resident of the Republic of Kazakhstan is a resident, similar in essence to the types of operations that the branch of the bank - non-resident of the Republic of Kazakhstan plans to carry out on the territory of the Republic of Kazakhstan;

6) cancellation of a previously issued permission to the applicant to establish a bank or a branch of a bank that is a non-resident of the Republic of Kazakhstan;

7) non-compliance of the applicant’s development strategy and (or) other submitted documents with the requirements of the authorized body for the risk management and internal control system and (or) failure to provide information confirming that:

after the first three financial (operating) years, the applicant's activities will be profitable;

the applicant and (or) the banking conglomerate of which the applicant will be a part will comply with prudential standards and limits;

the applicant has an organizational structure that corresponds to its development strategy;

8) failure to approve the applicant’s manager from among the candidates proposed for appointment (election) (for an applicant applying for a banking license for the first time);

9) failure to comply with the requirement established by part two of paragraph 4 of Article 45 of this Law, regarding the presence among the executive employees of a branch of a bank that is a non-resident of the Republic of Kazakhstan of at least two executive employees who are residents of the Republic of Kazakhstan;

10) non-compliance of documents and (or) information submitted by the applicant with the requirements of the legislation of the Republic of Kazakhstan;

11) inaccuracy of data (information) in documents and (or) information submitted to obtain a banking license.

2. In the event of a refusal to issue (reissue) a banking license, the applicant shall have the right to correct the discrepancies on the basis of which the refusal was received and re-apply

to the authorized body with an application for a banking license, submitting corrected (clarified) documents and (or) information.

In the event of a refusal to issue a banking license on the grounds provided for in subparagraph 8) of paragraph 1 of this Article, the applicant shall have the right to eliminate the discrepancies and re-apply to the authorized body with an application for a banking license with the submission of documents and information regarding a new person proposed by the applicant for the position of an executive employee of the applicant in accordance with the requirements of Article 45 of this Law and Article 9-4 of the Law of the Republic of Kazakhstan "On State Regulation, Control and Supervision of the Financial Market and Financial Organizations" replacing the person whose approval was denied to the applicant.

Article 21. Procedure for the transition (re-registration) of a bank with a basic banking license into a bank with a universal one banking license

1. A bank with a basic banking license, the total volume of assets of which for three consecutive months exceeds on the reporting date of each such month the maximum value established by the regulatory legal act of the authorized body, upon expiration of this period of time shall be obliged to comply with the prudential standards and limits, requirements for the risk management system, as well as the accounting and reporting requirements established by the authorized body for a bank with a universal banking license.

2. A bank with a basic banking license, the total volume of assets of which for nine consecutive months exceeds the maximum value established by a regulatory legal act of the authorized body, shall be obliged, subject to compliance with prudential standards and limits in accordance with paragraph 1 of this Article, to re-issue the basic banking license into a universal banking license within twelve months by submitting to the authorized body an application for re-issuance of the basic banking license into a universal banking license in the manner established by Article 19 of this Law, or to reduce the value of the total volume of its assets to an amount not exceeding the maximum value.

SECTION 3. BANKING ACTIVITIES AND FEATURES OF CORPORATE GOVERNANCE

Chapter 6. GENERAL REQUIREMENTS TO THE ACTIVITIES OF A BANK OR A BRANCH OF A BANK – A NON-RESIDENT OF THE REPUBLIC OF KAZAKHSTAN

Article 22. Banking activities

1. Banking activity is the implementation of banking operations provided for in part one of paragraph 2 of this Article, other operations provided for in part one of paragraph 3 of this Article, as well as Islamic banking operations provided for in part one of paragraph 4 of this Article.

2. The Bank shall have the right, subject to the availability of the relevant banking license, to carry out the following types of banking operations:

1) accepting deposits, opening and maintaining bank accounts of legal entities;

2) accepting deposits, opening and maintaining bank accounts for individuals;

3) opening and maintaining correspondent accounts of banks, organizations carrying out certain types of banking operations, as well as financial organizations – non-residents of the Republic of Kazakhstan;

4) opening and maintaining metal accounts of individuals and legal entities, which reflect the physical quantity of refined precious metals and coins made of precious metals belonging to these individuals;

5) transfer operations: execution of instructions from individuals and legal entities regarding payments and money transfers;

6) cash operations: acceptance and issuance of cash, including its exchange, change, counting, sorting, packaging and storage;

7) exchange operations with cash and (or) non-cash foreign currency;

8) banking lending operations: provision of bank loans in cash on the terms of payment, urgency and repayment (with the exception of interbank loans);

9) opening (issuing) and confirmation of a letter of credit and fulfillment of obligations under it;

10) issuance of bank guarantees providing for execution in monetary form (with the exception of interbank guarantees);

11) issuance of bank guarantees and other obligations for third parties, providing for execution in monetary form (with the exception of interbank guarantees);

12) collection of banknotes, coins and valuables;

13) accounting operations: discounting of bills of exchange and other debt obligations of individuals and legal entities;

14) acceptance of payment documents for collection (except bills of exchange).

The banking operation provided for in subparagraph 2) of part one of this paragraph shall be carried out by a bank with a basic banking license within limits not exceeding the amounts established by the regulatory legal act of the authorized body.

Banking operations provided for in subparagraphs 8), 9), 10), 11), 13) and 14) of part one of this paragraph shall be carried out by a bank with a basic banking license only with residents of the Republic of Kazakhstan.

3. The Bank, in addition to the banking operations provided for in paragraph 2 of this Article, shall have the right, subject to the availability of an appropriate banking license, to carry out the following types of other operations:

1) factoring operations: financing under the assignment of a monetary claim with acceptance or non-acceptance of the risk of non-payment;

2) leasing activities;

3) trust operations: management, on behalf of the founder of the trust in the interests of the person specified by the founder, of money, refined precious metals, rights (claims) under a bank loan agreement, a microcredit agreement;

4) safe deposit operations: services for storing securities issued in documentary form, documents and valuables of clients, including the rental of safe deposit boxes, cabinets, and premises;

5) purchase, acceptance as collateral, accounting, storage and sale of refined precious metals (gold, silver, platinum, platinum group metals) in bullion, coins made of precious metals;

6) purchase, acceptance as collateral, accounting, storage and sale of jewelry containing precious metals and/or precious stones;

7) operations with bills of exchange: acceptance of bills of exchange for collection, provision of services for payment of a bill of exchange by the payer, payment of domiciled bills of exchange, acceptance of bills of exchange by way of intermediation;

8) forfaiting operations (forfeiting): payment of a debt obligation of a buyer of goods (works, services) by purchasing a bill of exchange without recourse to the seller;

9) interbank loans (interbank financing), interbank guarantees, interbank sureties, as well as other interbank operations.

The operations provided for in subparagraphs 1), 2), 3), 7), 8) and 9) of part one of this paragraph shall be carried out by a bank with a basic banking license only with residents of the Republic of Kazakhstan.

4. An Islamic bank, as well as a bank with a universal banking license that carries out Islamic banking operations, shall have the right, subject to the availability of an appropriate banking license, to carry out the following types of Islamic banking operations:

1) opening and maintaining bank accounts for individuals and legal entities;

2) acceptance of Islamic bank deposits:

acceptance of interest-free demand deposits from individuals and legal entities;

acceptance of investment deposits from individuals and legal entities;

3) banking lending operations: provision of loans in cash on terms of urgency, repayment and without charging fees (except for interbank loans);

4) bank financing of individuals and legal entities as a trade intermediary by providing a commercial loan:

without the condition of subsequent sale of the goods to a third party;

on the terms of subsequent sale of the goods to a third party;

5) bank financing of production and trade activities through participation in the capital of legal entities and (or) on partnership terms;

6) banking investment activities under leasing (rental) conditions;

7) agency activities in the implementation of Islamic banking operations.

An Islamic bank, if so provided for by its charter and banking license, shall have the right to carry out certain types of banking and other operations provided for in subparagraphs 3), 4)

, 5), 6), 7), 9), 10), 11), 12), 13) and 14) of part one of paragraph 2, and subparagraphs 2), 3), 4), 5), 6), 7) and 9) of part one of paragraph 3 of this Article, subject to the principles established by Article 35 of this Law.

5. A bank with a universal banking license, in addition to the banking and other operations provided for in part one of paragraph 2 and part one of paragraph 3 of this Article, as well as the Islamic banking operations provided for in part one of paragraph 4 of this Article, as well as an Islamic bank, in addition to the Islamic banking and other operations provided for in paragraph 4 of this Article, shall have the right, subject to the availability of an appropriate license from the authorized body, to carry out the following types of activities in the securities market:

1) brokerage activities;

2) dealer activities;

3) custodial activities;

4) transfer agency activities.

A bank with a basic banking license, in addition to the banking and other operations provided for in paragraphs 2 and 3 of this Article, shall have the right, subject to the availability of an appropriate license from an authorized body, to carry out the following types of activities in the securities market:

1) brokerage activities;

2) dealer activities.

A bank with a universal banking license, a bank with a basic banking license, and an Islamic bank shall carry out dealer and brokerage activities in the securities market with financial instruments, the list and procedure for the acquisition of which shall be determined by the regulatory legal acts of the authorized body.

A bank with a universal banking license, a bank with a basic banking license, and an Islamic bank shall carry out dealer activities in the securities market, taking into account the restrictions established by Article 23 of this Law.

6. A branch of a bank that is a non-resident of the Republic of Kazakhstan shall have the right, subject to the availability of the relevant licenses from the authorized body, to carry out banking and other operations provided for in part one of paragraph 2 and part one of paragraph 3 of this Article, Islamic banking operations provided for in part one of paragraph 4 of this Article, as well as activities in the securities market provided for in part one of paragraph 5 of this Article.

A branch of an Islamic bank that is a non-resident of the Republic of Kazakhstan, subject to the availability of the relevant licenses from the authorized body, shall have the right to carry out:

1) Islamic banking operations provided for in part one of paragraph 4 of this Article;

2) certain types of banking and other operations provided for in subparagraphs 3), 4), 5), 6), 7), 9), 10), 11), 12), 13) and 14) of part one of paragraph 2 and subparagraphs 2), 3), 4), 5),

6), 7) and 9) of part one of paragraph 3 of this Article, as well as activities in the securities market provided for in part one of paragraph 5 of this Article, if this is provided for by the regulations on the branch, and in compliance with the principles of Islamic banking operations established by Article 35 of this Law.

7. The banking operations provided for in subparagraph 2) of part one of paragraph 2 of this Article may only be carried out by a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, which are participants in the mandatory deposit insurance system, as well as organizations carrying out certain types of banking operations specified in subparagraphs 1), 3), 6) and 7) of part two of paragraph 8 of this Article.

In addition to the requirement provided for in part one of this paragraph, a condition for the implementation by a branch of a bank - a non-resident of the Republic of Kazakhstan of the banking operations provided for in subparagraph 2) of part one of paragraph 2 of this Article shall be the acceptance from an individual of a deposit in an amount equivalent to no less than one hundred twenty thousand US dollars.

For banks providing loans to private business entities, participation in the system of guaranteeing the obligations of private business entities shall be mandatory.

8. One or more types of banking operations provided for in part one of paragraph 2 of this Article may be carried out by an organization carrying out certain types of banking operations , subject to the availability of a corresponding license from an authorized body or the National Bank of the Republic of Kazakhstan, except in cases where this Law and (or) the law of the Republic of Kazakhstan regulating the activities of such an organization provides for the possibility of carrying out the specified banking operations without a license.

Based on the relevant license from the authorized body:

1) The national postal operator shall be authorized to carry out banking operations provided for in subparagraph 2) of part one of paragraph 2 of this Article;

2) the operating center of the interbank money transfer system shall be authorized to carry out the banking operations provided for in subparagraph 5) of part one of paragraph 2 of this Article;

3) the central depository shall be authorized to carry out the banking operations provided for in subparagraphs 1) and 2) of part one of paragraph 2 of this Article, with the exception of accepting deposits, subparagraphs 3) and 5) of part one of paragraph 2 of this Article, as well as subparagraph 7) of part one of paragraph 2 of this Article, with the exception of exchange operations with foreign currency in cash;

4) the stock exchange shall be authorized to carry out the banking operations provided for in subparagraph 1) of part one of paragraph 2 of this Article, with the exception of accepting deposits, subparagraphs 3) and 5) of part one of paragraph 2 of this Article, as well as subparagraph 7) of part one of paragraph 2 of this Article, with the exception of exchange operations with foreign currency in cash;

5) a clearing organization performing the functions of a central counterparty shall be authorized to carry out the banking operations provided for in subparagraph 1) of part one of paragraph 2 of this Article, with the exception of accepting deposits, subparagraphs 3) and 5) of part one of paragraph 2 of this Article, as well as subparagraph 7) of part one of paragraph 2 of this Article, with the exception of exchange operations with foreign currency in cash;

6) the broker shall be authorized to carry out the banking operations provided for in subparagraphs 1) and 2) of part one of paragraph 2 of this Article, with the exception of accepting deposits, subparagraphs 5) and 8) of part one of paragraph 2 of this Article, as well as subparagraph 7) of part one of paragraph 2 of this Article, with the exception of exchange operations with foreign currency in cash;

7) the dealer shall be authorized to carry out the banking operations provided for in subparagraphs 1) and 2) of part one of paragraph 2 of this Article, with the exception of accepting deposits, subparagraphs 5) and 8) of part one of paragraph 2 of this Article, as well as subparagraph 7) of part one of paragraph 2 of this Article, with the exception of exchange operations with foreign currency in cash;

8) the mortgage organization shall be authorized to carry out banking operations provided for in subparagraph 8) of part one of paragraph 2 of this Article;

9) an organization that provides loans to entities in the agro-industrial complex, one hundred percent of whose voting shares are directly or indirectly owned by the national management holding, shall be authorized to carry out the banking operations provided for in subparagraph 8) of part one of paragraph 2 of this Article.

Based on the relevant license of the National Bank of the Republic of Kazakhstan:

1) a legal entity whose exclusive activity is the collection of banknotes, coins and valuables shall be authorized to carry out the banking operations provided for in subparagraph 12) of part one of paragraph 2 of this Article.

Legal entities whose exclusive activity is the collection of banknotes, coins and valuables shall be prohibited from engaging in other types of activities (other operations), with the exception of activities related to counting, sorting, packaging, transportation, storage of banknotes, coins and valuables, as well as their issuance to banks and their clients on behalf of banks;

2) a legal entity operating exclusively through exchange offices shall be authorized to carry out banking operations, as provided for in subparagraph 7) of part one of paragraph 2 of this Article, with foreign currency in cash.

Article 23. Investment and other entrepreneurial activities of the bank, branch of a bank – non-resident of the Republic of Kazakhstan

1. The Bank shall be prohibited from carrying out investment and (or) other entrepreneurial activities not provided for by this Law.

2. The Bank shall have the right to carry out investment activities by acquiring shares, equity interests, units or other forms of equity participation in the following organizations:

1) financial and (or) payment organizations that are residents of the Republic of Kazakhstan, as well as legal entities that are non-residents of the Republic of Kazakhstan, having the status of banks (credit organizations), insurance organizations, pension funds, professional participants in the securities market and (or) payment organizations;

2) subsidiaries created specifically for the issue and placement of securities under a bank guarantee;

3) special financial companies created to carry out project financing or securitization transactions in accordance with the Law of the Republic of Kazakhstan "On Project Financing and Securitization";

4) subsidiary organizations for the management of distressed assets that are residents of the Republic of Kazakhstan;

5) organizations engaged in leasing activities;

6) stock exchanges, central depository;

7) credit bureaus;

8) organizations whose exclusive activity is the collection of banknotes, coins and valuables;

9) organizations (residents and non-residents of the Republic of Kazakhstan) providing financial and (or) payment services using artificial intelligence, blockchain and other innovative technologies;

10) organizations (residents and non-residents of the Republic of Kazakhstan) providing services to enable the execution of transactions for the provision of financial services between financial organizations or issuers and consumers of financial services using an information system via the Internet;

11) organizations (residents and non-residents of the Republic of Kazakhstan) that develop, implement, and support software used in the activities of financial organizations, including for the automation of their activities;

12) organizations (residents and non-residents of the Republic of Kazakhstan) carrying out activities related to the offer and sale of goods, works and services on an electronic trading platform and (or) an information and advertising trading platform, and (or) an Internet platform, as well as the provision of their sites and platforms for use by third parties for the above purposes;

13) organizations (residents and non-residents of the Republic of Kazakhstan) engaged in the development, implementation and maintenance of software, equipment and devices in the field of information and communication technologies and (or) systems for working with biometric authentication;

14) organizations (residents and non-residents of the Republic of Kazakhstan) engaged in the development, maintenance and implementation of software in the field of information security and (or) counteracting fraud;

15) organizations (residents and non-residents of the Republic of Kazakhstan) engaged in the development and maintenance of software using cloud computing technologies;

16) organizations (residents and non-residents of the Republic of Kazakhstan) carrying out activities to ensure information, telecommunications and technological interaction between participants of the technological platform;

17) operators of the digital financial asset platform;

18) operators of the digital asset trading platform;

19) organizations providing services to ensure information, telecommunications and technological interaction between participants in settlements in banking activities, including settlements in transactions with payment cards;

20) organizations carrying out activities to certify the conformity of the public key of an electronic digital signature with the private key of an electronic digital signature, as well as to confirm the authenticity of the registration certificate;

21) organizations providing services of an electronic money system operator;

22) associations specified in paragraphs 1 and 2 of Article 32 of this Law;

23) other legal entities – provided that the said acquisition complies with the additional requirements of the authorized body;

24) other organizations – when carrying out Islamic banking operations.

A bank with a universal banking license, an Islamic bank shall have the right to acquire shares, equity stakes, units or other forms of equity participation in organizations specified in part one of this paragraph, which are non-residents of the Republic of Kazakhstan, if there is an agreement on the exchange of information in the field of banking supervision, including in the form of a memorandum of understanding, letters and (or) correspondence on the exchange of supervisory information between the authorized body and the financial supervisory body of the relevant foreign state, of which the organization - non-resident of the Republic of Kazakhstan is a resident.

A bank with a basic banking license shall be prohibited from carrying out investment activities by acquiring shares, equity interests, units or other forms of equity participation in organizations that are non-residents of the Republic of Kazakhstan or organizations registered in accordance with the current law of the Astana International Financial Center.

The provisions of parts one, two and three of this paragraph shall apply to cases of creation of the said organizations by a bank.

3. The bank shall have the right to acquire shares, participation interests, units or other forms of participation in organizations when the specified shares, participation interests, units or other forms of participation in organizations become the property of the bank upon the bank's foreclosure on the collateral (other security) under a bank loan agreement and (or) receipt of compensation in exchange for the performance of obligations under a bank loan agreement, taking into account the requirements established by Article 28 of this Law.

4. A bank with a universal banking license shall have the right to carry out investment activities by acquiring:

1) debt securities issued by international financial organizations;

2) government debt securities;

3) non-government debt securities, including:

bonds issued by the bank's subsidiaries, the obligations of which are guaranteed by the bank or bank holding company;

bonds of a bank holding company, the obligations of which are guaranteed by the bank;

bonds of a special financial company issued within the framework of a project financing or securitization transaction in accordance with the Law of the Republic of Kazakhstan "On Project Financing and Securitization";

other non-government debt securities;

4) the bank’s own debt securities;

5) derivative financial instruments;

6) derivative securities;

7) digital financial assets;

8) Islamic securities.

A bank with a basic banking license shall have the right to carry out investment activities by acquiring securities specified in subparagraphs 1), 2) and 4) of part one of this paragraph, as well as subparagraph 3) of part one of this paragraph, taking into account the restrictions established by paragraph 1 of Article 50 of this Law.

An Islamic bank, a branch of an Islamic bank that is a non-resident of the Republic of Kazakhstan, shall have the right to carry out investment activities specified in subparagraphs 5), 6) and 7) of part one of this paragraph, to the extent that they do not contradict the principles established by Article 35 of this Law, as well as through the acquisition of Islamic securities.

The procedure for a bank with a universal banking license or an Islamic bank to conduct transactions with digital financial assets shall be determined by a joint regulatory legal act of the authorized body and the National Bank of the Republic of Kazakhstan and shall include a list of digital financial assets with which a bank with a universal banking license or an Islamic bank has the right to conduct transactions, as well as requirements for such digital financial assets.

5. The Bank shall have the right to conduct transactions with the following financial instruments exclusively on the organized securities market:

1) government and non-government securities when making transactions on the secondary securities market;

2) derivative financial instruments;

3) derivative securities.

The requirement of part one of this paragraph shall not apply to cases of acquisition by a bank of shares of another bank during the banks' reorganization in the form of a merger in the manner determined by the legislation of the Republic of Kazakhstan, as well as to cases stipulated by the regulatory legal act of the authorized body specified in paragraph 6 of this article.

6. The procedure for carrying out investment activities of a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan shall be determined by a regulatory legal act of the authorized body and shall include:

1) requirements for organizations acquired or created by the bank, as well as the maximum size of the bank's participation in the specified organizations;

2) additional requirements for the acquisition of shares and participation interests in legal entities, as provided for in subparagraph 23) of paragraph 2 of this Article;

3) requirements for debt securities acquired by the bank;

4) a list of international financial organizations whose debt securities the bank has the right to acquire;

5) the procedure for the bank to carry out transactions with:

own debt securities;

bonds issued by the bank's subsidiaries, the obligations of which are guaranteed by the bank or bank holding company;

bonds of a bank holding company, the obligations of which are guaranteed by the bank;

6) cases and procedure for acquisition by a bank on the unorganized securities market:

government and non-government securities when making transactions on the secondary securities market;

derivative financial instruments;

derivative securities.

The requirements regarding the maximum size of a bank's participation in organizations, established in accordance with subparagraph 1) of part one of this paragraph, shall not apply to cases of a bank acquiring shares of another bank when banks carry out a reorganization in the form of a merger in the manner determined by the legislation of the Republic of Kazakhstan.

The requirements established in accordance with subparagraph 3) of part one of this paragraph shall not apply to cases where a bank acquires debt securities of an issuer whose obligations are in the process of restructuring, in exchange for previously acquired debt securities of the said issuer, provided that the obligations under the previously acquired debt securities are included in the list of restructured obligations of the given issuer.

7. In addition to the activities provided for in paragraphs 2, 3, 4 and 5 of this Article, a bank with a universal banking license, an Islamic bank shall have the right to engage in the following types of entrepreneurial activities:

1) issue of own securities and digital financial assets;

2) provision of payment services in accordance with the legislation of the Republic of Kazakhstan on payments and payment systems;

3) the implementation of banking activities by means of the bank providing its technological infrastructure to another organization that is not a bank, ensuring access to banking and other operations for clients of such organization on the basis of an agreement concluded between the bank and the specified organization.

Within the framework of the activities provided for in part one of this subparagraph, the bank shall bear independent liability to the client of another organization for banking and other operations carried out by the bank in favor of such client;

4) the implementation of intermediary services between the payer and the supplier of goods, works and services by providing a service, including the ability to receive and remotely pay for goods, works and services using the systems, programs, and infrastructure of the bank, when payment can be made by non-cash means;

5) development, implementation, provision for use and support of specialized software used to automate the activities of banks, organizations carrying out certain types of banking operations, or other software related to the provision of financial services;

6) representation and protection of the rights and legitimate interests of other persons on issues related to banking activities and (or) activities in the securities market, including the performance of functions:

representative of bondholders;

an agent bank and (or) a collateral manager in a project or syndicated financing transaction in accordance with the Law of the Republic of Kazakhstan "On Project Financing and Securitization";

agent bank and (or) manager of collateral under a loan (financing) agreement governed by foreign law;

7) provision of services for managing the depositor’s account(s) opened with the central depository in the name of the depositor;

8) certification of conformity of the public key of the electronic digital signature to the private key of the electronic digital signature, as well as confirmation of the authenticity of the registration certificate in compliance with the requirements of the legislation of the Republic of Kazakhstan on informatization;

9) organizing training for professional development of specialists in the field of banking and financial activities;

10) provision of consulting services on issues related to banking and financial activities;

11) sale of specialized literature on any type of information carrier on issues of banking and financial activities;

12) concluding insurance contracts on behalf of an insurance organization - a resident of the Republic of Kazakhstan in the presence of an agreement between the bank and the

insurance organization - a resident of the Republic of Kazakhstan for concluding insurance contracts on its behalf;

13) sale of own property;

14) the sale of property acquired by the bank as a result of foreclosure on the collateral (other security) under a bank loan agreement and (or) receipt of compensation in exchange for the fulfillment of obligations under a bank loan agreement in the manner established by the laws of the Republic of Kazakhstan;

15) leasing of own property to subsidiaries in accordance with a lease agreement (property rental);

16) transfer of housing that has become the property of the bank for rent on the basis of a lease agreement (property lease), including with a purchase clause;

17) implementation of activities of a fiscal data operator;

18) development, implementation, provision for use and support of specialized software used for cash registers.

Only individuals belonging to socially vulnerable groups of the population in accordance with the Law of the Republic of Kazakhstan "On Housing Relations" may act as tenants of the housing specified in part one of this subparagraph, whose housing has become the property of the bank as a result of foreclosure on it in connection with the failure to fulfill or improper fulfillment by the said individuals of obligations under the mortgage housing loan agreement (mortgage loan) or the provision by them of compensation in exchange for the fulfillment of obligations under the mortgage housing loan agreement (mortgage loan) in the form of housing, which was the subject of a pledge that secured obligations under the mortgage housing loan agreement (mortgage loan).

8. A bank with a basic banking license shall have the right to engage in the following types of entrepreneurial activities:

1) issue of own securities;

2) the types of entrepreneurial activity provided for in subparagraphs 2), 3), 4), 5), 7), 8), 9), 10), 11), 12), 13), 14), 15), 16), 17) and 18) of paragraph 7 of this Article.

9. Banks and bank holding companies shall be prohibited from issuing “golden shares”.

10. A bank that is a non-resident of the Republic of Kazakhstan and has a branch in the territory of the Republic of Kazakhstan shall have the right to carry out investment activities by acquiring shares, equity stakes, units or other forms of equity participation in the organizations specified in paragraph 2 of this Article, or by creating such organizations in cases where such activities comply with the requirements established by the legislation of the Republic of Kazakhstan, as well as the legislation of the state of which the bank that is a non-resident of the Republic of Kazakhstan is a resident.

A branch of a bank that is a non-resident of the Republic of Kazakhstan shall have the right to carry out the activities provided for in paragraphs 3, 4 and 5, as well as subparagraphs

2) (in terms of carrying out operations on the issue and sale (distribution) of payment cards), 3), 4), 5), 6), 7), 9), 10), 11), 12), 13), 14), 15) and 16) of paragraph 7 of this Article.

11. The rules of this Article shall apply to Islamic banks, banks with a universal banking license that carry out Islamic banking operations, branches of Islamic banks that are non-residents of the Republic of Kazakhstan, branches of banks that are non-residents of the Republic of Kazakhstan with a universal banking license that carry out Islamic banking operations, to the extent that they do not contradict the principles established by Article 35 of this Law.

Article 24. Subordinated debt of the bank

Subordinated debt of a bank means an unsecured debt obligation of a bank that simultaneously satisfies the following conditions:

1) the term of the unsecured debt obligation is at least five years;

2) the creditor(s) under an unsecured debt obligation cannot make a demand for its early repayment or execution;

3) an unsecured debt obligation may be repaid early or executed at the initiative of the bank, provided that the said repayment (execution) does not lead to a decrease in the bank's prudential standards below the values established by the regulatory legal act of the authorized body;

4) upon liquidation of a bank, an unsecured debt obligation shall be satisfied in the order of the eleventh priority established by Article 123 of this Law;

5) other conditions (requirements) established by the regulatory legal act of the authorized body.

Article 25. Perpetual financial instrument of the bank

A perpetual financial instrument of a bank means an unsecured debt obligation of the bank that simultaneously satisfies the following conditions:

1) the term of the unsecured debt obligation is at least fifty years or the unsecured debt obligation is perpetual (without a set maturity date);

2) the creditor(s) under an unsecured debt obligation cannot make a demand for its early repayment or execution;

3) an unsecured debt obligation may be repaid early or executed at the initiative of the bank, provided that the said repayment (execution) does not lead to a decrease in the bank's prudential standards below the values established by the regulatory legal act of the authorized body;

4) upon liquidation of a bank, an unsecured debt obligation shall be satisfied in the order of the twelfth priority established by Article 123 of this Law;

5) other conditions (requirements) established by the regulatory legal act of the authorized body.

Article 26. Specific features of issuance and (or) placement by a bank of issued securities within the territory of a foreign state

1. The Bank shall have the right to issue and (or) place on the territory of a foreign state issued securities and (or) derivative securities, the underlying asset of which are the Bank's issued securities, subject to the requirement established by paragraph 1 of Article 22-1 of the Law of the Republic of Kazakhstan "On the Securities Market".

2. When a bank issues and (or) places debt securities in the territory of a foreign state or when issuing and (or) placing debt securities in the territory of a foreign state, the terms of issue of which provide for the provision of a bank guarantee, the bank shall be obliged to ensure that the following conditions are met:

1) the terms of issue of the bank's debt securities contain provisions that the debt securities may be forcibly restructured in the event that the authorized body applies the settlement instruments provided for by this Law in relation to the specified bank;

2) the terms of the issue of debt securities contain provisions that holders of debt securities do not have the right to demand early fulfillment of obligations to them in the event of the application to the bank that is the guarantor for the said debt securities of the settlement instruments provided for by this Law.

3. The requirements of paragraphs 1 and 2 of this Article shall not apply to cases of issuance and (or) placement of securities within the framework of the forced restructuring of the liabilities of a bank in resolution mode, in the manner determined by this Law.

4. A bank that has placed issued securities and (or) derivative securities in the territory of a foreign state, the underlying asset of which is the bank's issued securities, or that has acted as a guarantor for debt securities placed in the territory of a foreign state, shall notify the authorized body of the results of the placement of these securities in accordance with paragraph 2 of Article 22-1 of the Law of the Republic of Kazakhstan "On the Securities Market".

Article 27. Liquidation netting within the framework of the general financial agreement concluded with a bank, branch of a bank that is a non-resident of the Republic of Kazakhstan

1. The provisions of Articles 78, 79 and 80, paragraph 2 of Article 81, paragraphs 1, 3 and 4 of Article 84, Articles 87, 89, 92, 93, 94, 96, 97 and 98, paragraph 2 of Article 101, Article 102, paragraph 1 of Article 115, paragraph 1 of Article 116, Article 120, paragraph 2 of Article 126 and paragraph 1 of Article 128 of this Law shall not apply to the set-off of claims and (or) liquidation netting under a transaction (transactions) under a general financial agreement.

2. The parties to the general financial agreement shall carry out (apply) offsetting of claims and (or) liquidation netting for the transaction(s) within the framework of the general financial agreement in the manner and under the conditions specified in the general financial agreement.

3. The net claim arising (calculated) as a result of the set-off of claims and (or) liquidation netting carried out (applied) in the manner and under the conditions specified in the general financial agreement shall be satisfied on a general basis in accordance with the rules for

settlements with creditors established by this Law and the civil legislation of the Republic of Kazakhstan.

Article 28. Property acquired as a result of foreclosure on the subject of a pledge (other security) or receipt of compensation

1. A bank or branch of a bank that is a non-resident of the Republic of Kazakhstan shall be obliged to sell the property acquired by them as a result of foreclosure on the subject of collateral (other security) under a bank loan agreement and (or) receipt of compensation in exchange for the fulfillment of obligations under a bank loan agreement, by conducting an auction on an electronic trading platform for the sale of banking and microfinance assets, with the exception of:

1) housing transferred by the bank for lease (property lease) with the condition of its redemption in accordance with subparagraph 16) of paragraph 7 of Article 23 of this Law;

2) cases provided for in paragraph 3 of this Article;

3) real estate located outside the Republic of Kazakhstan.

2. The property specified in paragraph 1 of this Article must be sold by a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan within three years from the date of its acquisition, with the exception of:

1) a land plot, the period of sale of which is determined taking into account the features provided for by the Land Code of the Republic of Kazakhstan;

2) housing transferred for rent (property lease) without the condition of its redemption in accordance with subparagraph 16) of paragraph 7 of Article 23 of this Law, the period of sale of which is extended in proportion to the term of the lease;

3) a building or other real estate that a bank or branch of a bank – non-resident of the Republic of Kazakhstan intends to use as its premises, provided that such use begins no later than twelve months from the date of acquisition of the said building or other real estate.

In the event of failure to comply with the deadline established by part one of this subparagraph, the bank or branch of a bank that is a non-resident of the Republic of Kazakhstan shall be obliged to sell the relevant building or other real estate by holding an auction on an electronic trading platform for the sale of banking and microfinance assets within three years from the date of its acquisition.

In the event of termination of the use of a building or other real estate as its premises, a bank or branch of a bank that is a non-resident of the Republic of Kazakhstan shall be obliged to sell the said building or other real estate by holding an auction on an electronic trading platform for the sale of banking and microfinance assets within two years from the date of termination of the said use.

3. In cases where a bank acquires shares, equity stakes, units or other forms of equity participation in organizations, when the bank forecloses on the collateral (other security)

under a bank loan agreement and (or) receives compensation in exchange for the fulfillment of obligations under a bank loan agreement, the bank's participation in such organizations must not exceed the maximum amounts established by the authorized body.

The Bank shall be obliged to sell shares, participation interests, units or other forms of equity participation in the organizations specified in part one of this paragraph, within twelve months from the date of their acquisition, except in cases of acquisition of shares, participation interests, units or other forms of equity participation in the capital of organizations that meet the requirements of paragraph 2 of Article 23 of this Law.

In cases of acquisition by a bank - non-resident of the Republic of Kazakhstan, having a branch in the territory of the Republic of Kazakhstan, of shares, participation interests, units or other forms of equity participation in organizations when the bank - non-resident of the Republic of Kazakhstan applies for foreclosure on the subject of collateral (other security) under a bank loan agreement and (or) receives compensation in exchange for the performance of obligations under a bank loan agreement, the participation of the bank - non-resident of the Republic of Kazakhstan in such organizations must comply with the requirements established by the legislation of the Republic of Kazakhstan, as well as the legislation of the state of which the bank - non-resident of the Republic of Kazakhstan is a resident.

4. The requirements established by paragraphs 1, 2 and parts one and two of paragraph 3 of this Article shall apply to subsidiaries managing distressed assets and organizations carrying out certain types of banking operations.

5. A subsidiary managing distressed assets shall be obliged to sell the property specified in subparagraph 1) of paragraph 3 of Article 30 of this Law, transferred to it by the parent bank, including through a contribution to the authorized capital, and (or) acquired from the parent bank, by conducting an auction on an electronic trading platform for the sale of banking and microfinance assets.

6. The total (aggregate) period for the sale of the property specified in paragraphs 1 and 5 of this Article for the bank and its subsidiary for managing distressed assets shall be three years from the date of its initial acquisition.

The total (aggregate) period for the sale of shares, equity interests, stakes or other forms of equity participation in the organizations specified in part two of paragraph 3 of this Article for the bank and its subsidiary for managing distressed assets shall be twelve months from the date of their initial acquisition.

7. Direct targeted sale of the property specified in paragraphs 1 and 5 of this Article shall be carried out on the electronic trading platform for the sale of banking and microfinance assets in the cases and in the manner determined by the rules for conducting auctions on the electronic trading platform for the sale of banking and microfinance assets, approved by the regulatory legal act of the authorized body.

Article 29. Subsidiaries of the bank and significant participation of the bank in the capital of organizations

1. The Bank, within the framework of exercising the powers granted to it by paragraph 2 of Article 23 of this Law, shall have the right to create or acquire a subsidiary organization only with the prior permission of the authorized body.

2. A subsidiary of a bank shall not have the right to create and (or) acquire subsidiaries, or have a significant participation in the capital of organizations, except in cases of creation and (or) acquisition, as well as a significant participation in the capital of:

1) a subsidiary of a bank that is not an insurance (reinsurance) organization:

organizations – non-residents of the Republic of Kazakhstan, engaged in the development, implementation, provision for use and support of software used in the activities of financial organizations, including for the automation of their activities;

organizations - non-residents of the Republic of Kazakhstan carrying out financial activities in accordance with the laws of the country in which such organization is created or carries out activities;

organizations - non-residents of the Republic of Kazakhstan carrying out leasing activities in accordance with the law of the country in which such organization is created or carries out activities;

2) a subsidiary of a bank that is an insurance (reinsurance) organization, organizations specified in paragraph 3 of Article 48 of the Law of the Republic of Kazakhstan "On Insurance Activities".

The restriction provided for in part one of this paragraph shall not apply to a subsidiary managing distressed assets.

3. The following are not considered subsidiaries of banks:

1) organizations, shares, participation interests, units or other forms of equity participation in which are acquired by the bank as a result of foreclosure on the subject of collateral (other security) under a bank loan agreement and (or) receipt of compensation in exchange for the performance of obligations under a bank loan agreement, subject to the requirements and restrictions established by paragraph 3 of Article 23 and Article 28 of this Law, and with the exception of the cases established by part two of subparagraph 1) of paragraph 8 of this Article;

2) organizations, shares, participation interests, units or other forms of equity participation in which are indirectly owned by the bank through the bank's ownership of a subsidiary for managing distressed assets;

3) legal entities whose shares or equity interests were acquired by an Islamic bank, a bank with a universal banking license that carries out Islamic banking operations, when financing production and trading activities through participation in the capital of legal entities and (or) on a partnership basis.

4. The requirement to obtain permission from the authorized body to acquire a subsidiary shall not apply to the following cases:

1) the acquisition by a bank of shares of another bank or shares, participation interests, units or other forms of equity participation in organizations owned by another bank, when banks carry out reorganization in the form of a merger in the manner determined by the legislation of the Republic of Kazakhstan;

2) the creation or acquisition by the bank of a subsidiary for the management of distressed assets.

5. Significant participation of a bank in the capital of organizations specified in paragraph 2 of Article 23 of this Law shall be permitted only with the prior permission of the authorized body.

6. The requirement to obtain permission from the authorized body for a significant participation in the capital of an organization shall not apply to a bank in the following cases:

1) the acquisition by a bank of shares, participation interests, units or other forms of equity participation in organizations as a result of foreclosure on the subject of collateral (other security) under a bank loan agreement and (or) the receipt of compensation in exchange for the performance of obligations under a bank loan agreement, subject to the requirements and restrictions established by paragraph 3 of Article 23 and Article 28 of this Law, and with the exception of the cases established by part two of subparagraph 1) of paragraph 8 of this Article;

2) indirect ownership by the bank of shares, equity interests, units or other forms of equity participation in organizations through the bank's ownership of a subsidiary for managing distressed assets;

3) financing by an Islamic bank, a bank with a universal banking license, carrying out Islamic banking operations, of production and trade activities through participation in the capital of legal entities and (or) on a partnership basis.

7. The procedure for issuing a permit to a bank to create or acquire a subsidiary, as well as to have a significant participation in the capital of an organization, shall be determined by Article 9-6 of the Law of the Republic of Kazakhstan "On state regulation, control and supervision of the financial market and financial organizations" and the regulatory legal act of the authorized body.

8. In the event that a bank acquires signs of control or significant participation in the capital of an organization without the prior permission of the authorized body:

1) the authorized body shall have the right to apply supervisory response measures to the bank as provided for by this Law.

In the event that a bank acquires signs of control or a significant participation in the capital of organizations specified in paragraph 2 of Article 23 of this Law as a result of foreclosure on the subject of collateral (other security) under a bank loan agreement and (or) receipt of compensation in exchange for the performance of obligations under a bank loan agreement, the bank shall be obliged to obtain permission from the authorized body to acquire a subsidiary organization or a significant participation in the capital of such organizations within the period established by the authorized body within the framework of the application of supervisory response measures to the bank;

2) the bank shall be obliged, within six months from the date of the emergence of signs of control or significant participation in the capital of the organization, to alienate its shares, participation interests, units or other forms of equity participation in the organization to a person not connected with the bank by special relations, and to submit to the authorized body documents confirming the said alienation, or to obtain permission from the authorized body to acquire a subsidiary organization or significant participation in the capital of the organization.

9. A subsidiary of a bank shall be obliged to notify the authorized body of changes and (or) additions made to its constituent documents in terms of the name and (or) types of activities of this subsidiary, within thirty calendar days from the date of entry into force of such changes and (or) additions.

10. A bank that is a non-resident of the Republic of Kazakhstan and has a branch in the territory of the Republic of Kazakhstan shall have the right to create or acquire subsidiaries, as well as to have a significant participation in the capital of organizations in cases where the said activity complies with the requirements established by the legislation of the Republic of Kazakhstan, as well as the legislation of the state of which the bank that is a non-resident of the Republic of Kazakhstan is a resident.

A branch of a bank that is a non-resident of the Republic of Kazakhstan, as well as subsidiaries of a bank that is a non-resident of the Republic of Kazakhstan and organizations in which a bank that is a non-resident of the Republic of Kazakhstan has a significant participation in the capital, shall be required to disclose to the authorized body, on the basis of a corresponding request, information necessary for the authorized body to perform its functions of implementing consolidated supervision.

Article 30. Subsidiary organization for the management of distressed assets

1. The Bank, within the framework of the exercise of the powers granted to it by subparagraph 4) of paragraph 2 of Article 23 of this Law, shall have the right to create or acquire a subsidiary organization for the management of distressed assets only with the prior permission of the authorized body.

The procedure for issuing a permit for the creation or acquisition by a bank of a subsidiary organization for the management of distressed assets shall be determined by a regulatory legal act of the authorized body.

The requirement to obtain permission from the authorized body to acquire a subsidiary organization for the management of distressed assets shall not apply to cases where a bank acquires shares or participation interests in a subsidiary for managing distressed assets when the bank carries out a reorganization in the form of a merger with another bank that owns shares or participation interests in the said subsidiary for managing distressed assets.

2. A refusal to issue a permit for the creation or acquisition by a bank of a subsidiary organization for the management of distressed assets shall be made on any of the following grounds:

1) failure to address the comments of the authorized body regarding the submitted documents within the time period established by the authorized body;

2) failure to comply with prudential standards and limits by a banking conglomerate of which the bank is a part, as a result of the alleged existence of a subsidiary for the management of distressed assets;

3) non-compliance of assets planned for transfer to a subsidiary for managing distressed assets with the requirements established by paragraph 3 of this Article and (or) the regulatory legal act of the authorized body.

3. A subsidiary organization for the management of distressed assets shall have the right to:

1) acquire and sell movable and immovable property and (or) unfinished construction projects previously acquired by the bank as a result of foreclosure on the collateral (other security) under a bank loan agreement and (or) receipt of compensation in exchange for the fulfillment of obligations under a bank loan agreement;

2) acquire and sell shares, equity interests, stakes or other forms of equity participation in organizations previously acquired by the bank as a result of foreclosure on the collateral (other security) under a bank loan agreement and (or) receipt of compensation in exchange for the fulfillment of obligations under a bank loan agreement;

3) lease out (property lease) the property specified in subparagraph 1) of this paragraph;

4) act as a service company under a trust agreement for the management of rights (claims) ;

5) carry out other types of activities established by the regulatory legal act of the authorized body.

4. A subsidiary organization for the management of distressed assets shall not have the right to acquire or otherwise receive ownership from a parent bank, including through a contribution to its authorized capital, rights (claims) under a bank loan agreement.

5. The procedure for the activities of a subsidiary organization for the management of distressed assets, as well as the requirements for the assets acquired (purchased) by it, shall be established by a regulatory legal act of the authorized body.

6. Within the framework of the trust agreement for the management of rights (claims), the subsidiary for the management of distressed assets shall have the right to:

1) by agreement of the parties, change the terms of the bank loan agreement, the agreement on the provision of a microcredit within the framework of the rights (claims) and powers granted by the person with whom the trust management agreement has been concluded;

2) change the terms of a bank loan agreement, a microcredit agreement unilaterally in cases of their improvement for the borrower in accordance with the requirements established by paragraphs 4, 5 and 6 of Article 57 of this Law and paragraph 6 of Article 3 of the Law of the Republic of Kazakhstan "On Microfinance Activities";

3) represent the interests of the person with whom the trust management agreement for rights (claims) has been concluded in court, including in the process of debt collection and (or) foreclosure on the subject of the pledge (other security);

4) accept from the debtor, in the interests of the person with whom the trust agreement for the management of rights (claims) has been concluded, money in non-cash form and (or) other property to pay off the debt, with the subsequent transfer of such money and (or) such property in favor of the person with whom the trust agreement for the management of rights (claims) has been concluded;

5) use the services of appraisers, auditors, lawyers and (or) other consultants;

6) exercise other rights provided for by the trust management agreement for rights (claims).

7. The remuneration of the subsidiary organization for the management of distressed assets, acting as a service company, as well as the expenses associated with trust management , shall be paid (reimbursed) in accordance with the terms of the trust management agreement for the rights (claims) of the person who acquired the rights (claims) under bank loan agreements and (or) microcredit agreements.

8. The borrower and (or) his/her representative under a bank loan agreement, a microcredit agreement, the rights (claims) of which are transferred to the trust management of a service company, shall have the right to:

1) obtain from the person who has entered into the trust management agreement for rights (claims) information about the subsidiary organization for the management of distressed assets, its location, whether it has personal data of the borrower, the size and structure of the borrower’s debt;

2) contact the subsidiary organization for the management of distressed assets with a proposal to change the terms of the bank loan agreement and (or) the microcredit agreement related to the fulfillment of the obligations of the borrower and (or) the person who provided security under the said agreement, with a justification for the reasons for such an appeal.

9. A subsidiary organization for the management of distressed assets under a trust agreement for rights (claims) shall be obligated to:

1) interact with borrowers taking into account the requirements established by paragraphs 1, 2 and 4, subparagraphs 1) and 9) of paragraph 5 and paragraph 6 of Article 5 of the Law of the Republic of Kazakhstan "On Collection Activities";

2) comply with other requirements and restrictions imposed by the legislation of the Republic of Kazakhstan on the relationship between the creditor and the debtor within the framework of a bank loan agreement, an agreement on the provision of a microloan.

10. A subsidiary organization for the management of distressed assets, acting as a service company under a trust agreement for the management of rights (claims), in the event of voluntary or forced termination of its activities, shall be obliged to notify of this within five working days from the date of adoption (entry into force) of the decision on voluntary or forced termination of its activities:

1) persons with whom trust management agreements for rights (claims) have been concluded, in the ways provided for by the trust management agreement for rights (claims);

2) debtors under bank loan agreements, microcredit agreements, the rights (claims) under which were transferred to the trust management of the specified subsidiary organization for the management of distressed assets, in one of the ways provided for by the Law of the Republic of Kazakhstan "On Collection Activities".

11. A subsidiary organization for the management of distressed assets, acting as a service company under a trust agreement for the management of rights (claims), in the event of voluntary or forced termination of its activities, shall be obliged, within thirty working days from the date of adoption (entry into force) of the decision on voluntary or forced termination of its activities:

1) to transfer to the person to whom the rights (claims) under a bank loan agreement, a microcredit agreement have been assigned, or, at his direction, to another service company with which such person has entered into a new trust management agreement for rights (claims), all information and documents on bank loan agreements, microcredit agreements, the rights (claims) under which were transferred into trust management of a subsidiary organization for managing distressed assets, as of the date of adoption (entry into force) of the decision on voluntary or forced termination of its activities;

2) to terminate all concluded agreements for the trust management of rights (claims).

The person to whom the rights (claims) under a bank loan agreement, a microcredit agreement have been assigned, or the service company with which such person has concluded a new trust management agreement for rights (claims), shall be obliged to ensure the acceptance of information and documents in the case provided for in subparagraph 1) of part one of this paragraph.

Article 31. Opening and closing of branches and representative offices of the bank

1. A bank with a universal banking license shall have the right, on the basis of a decision of the board of directors of the bank, without the consent of the authorized body, to open its branches and (or) representative offices both on the territory of the Republic of Kazakhstan and abroad.

A bank with a basic banking license, based on a decision of the bank’s board of directors, shall have the right to open its branches and (or) representative offices on the territory of the Republic of Kazakhstan without the consent of the authorized body.

A bank with a basic banking license shall be prohibited from opening branches and (or) representative offices in the territory of a foreign state.

2. A bank with a universal banking license shall have the right to open branches outside the Republic of Kazakhstan only if there is an agreement on the exchange of information in the area of banking supervision, including in the form of a memorandum of understanding, letters and (or) correspondence on the exchange of supervisory information between the authorized body and the financial supervisory body of the relevant foreign state.

3. A bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan shall have the right to maintain additional premises on the territory of the Republic of Kazakhstan.

4. In the event of opening or closing a branch, representative office, additional premises, or changing their location, the Bank shall be obliged to notify the authorized body in writing within thirty working days from the date of the bank's decision to open or close them or change their location.

A branch of a bank that is a non-resident of the Republic of Kazakhstan, in the event of opening or closing additional premises or changing their location, shall be obliged to notify the authorized body in writing within thirty working days from the date of the decision by the bank that is a non-resident of the Republic of Kazakhstan to open or close them or change their location.

5. A bank with a universal banking license, in the event of opening branches and (or) representative offices outside the Republic of Kazakhstan, shall be obliged to notify the authorized body in writing within thirty working days from the date of their registration in a foreign state, attaching documents confirming the said registration.

6. A bank that is a non-resident of the Republic of Kazakhstan shall have the right to open its representative office on the territory of the Republic of Kazakhstan that does not carry out banking and (or) other entrepreneurial activities, without obtaining the consent of the authorized body.

A non-resident bank of the Republic of Kazakhstan shall be obliged to notify the authorized body of the opening or closing of its representative office on the territory of the Republic of Kazakhstan or a change in its location within thirty working days from the date of the adoption of the relevant decision by the non-resident bank of the Republic of Kazakhstan.

Article 32. Associations with participation of banks

1. In order to coordinate their activities, protect and represent common interests, implement joint projects and solve other common problems, banks shall have the right to create associations in accordance with the legislation of the Republic of Kazakhstan.

Associations with the participation of banks shall be non-profit organizations.

2. Banks shall have the right to join associations (unions) with other organizations and participate in their activities.

3. Associations involving banks may not be used for the purpose of restricting competition in the financial services market.

Chapter 7. SPECIFIC FEATURES OF IMPLEMENTING ISLAMIC BANKING OPERATIONS

Article 33. Islamic banking operations

1. Islamic banking operations shall be carried out by an Islamic bank, a bank with a universal banking license carrying out Islamic banking operations, a branch of an Islamic bank that is a non-resident of the Republic of Kazakhstan, as well as a branch of a bank that is a non-resident of the Republic of Kazakhstan with a universal banking license carrying out Islamic banking operations (hereinafter referred to as a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan carrying out Islamic banking operations).

2. A bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, shall carry out the operations provided for in subparagraphs 4), 5) and 6) of part one of paragraph 4 of Article 22 of this Law, using its own funds and (or) funds attracted as investment deposits, and (or) financing attracted from other banks, branches of banks that are non-residents of the Republic of Kazakhstan, carrying out Islamic banking operations, international financial organizations, a special fund for the development of private entrepreneurship as a commercial loan under the conditions provided for in paragraph 3 of this Article.

In the cases indicated:

a bank, a branch of a bank - a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, and (or) their client(s) on an investment deposit acquire the right of common shared ownership of the property acquired using their money;

a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, act as trustees managing property related to common shared ownership.

a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations and acting as a trustee of property related to common shared ownership, shall have the right to submit applications for state registration of rights to real estate, registration of vehicles and other movable property in accordance with the requirements of the laws of the Republic of Kazakhstan.

a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, shall maintain records of participants in common shared ownership of the acquired property.

3. A bank, a branch of a non-resident bank of the Republic of Kazakhstan, carrying out Islamic banking operations, shall have the right to attract financing from other banks or branches of non-resident banks of the Republic of Kazakhstan, carrying out Islamic banking operations, international financial organizations, a special fund for the development of private entrepreneurship, acting as a trade intermediary, by obtaining a commercial loan on the basis of a commercial loan agreement, subject to the following conditions:

1) a commercial loan agreement concluded between a bank, a branch of a bank - non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, and another bank, a branch of a bank - non-resident of the Republic of Kazakhstan, carrying out

Islamic banking operations, an international financial organization, a special fund for the development of private entrepreneurship, acting as a trade intermediary, must contain:

name and quantity of goods;

the price at which a bank or a branch of a non-resident bank of the Republic of Kazakhstan, carrying out Islamic banking operations, purchases goods from a trading intermediary, indicating the amount of the markup on the goods;

terms of a commercial loan provided by a commercial intermediary to a bank, a branch of a bank – a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, in the form of an installment plan for payment made in cash;

a condition on the subsequent sale of goods by a bank, a branch of a bank - non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, to a third party in the quantity and at the price specified in the commercial loan agreement, excluding the markup of the trading intermediary;

2) the goods in the commercial credit agreement shall be defined as goods sold on international commodity exchanges and purchased by the trading intermediary on international commodity exchanges.

For the purposes of this subparagraph, an international commodity exchange shall be recognized as a commodity exchange that meets the requirements provided for in paragraph 3 of Article 41 of this Law;

3) the selling price of goods to a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, consists of the sum of the purchase price of the goods by the trading intermediary and the markup on the goods when they are sold to a bank or a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, under a commercial loan agreement;

4) the amount of the markup on the goods, established as a fixed amount or percentage of the purchase price of the goods by the seller of the goods, shall be the remuneration under the commercial credit agreement received by the trade intermediary;

5) a trading intermediary, a bank, a branch of a bank – a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, and a third party shall not be the related parties in accordance with the Tax Code of the Republic of Kazakhstan.

The rules of the contract for the sale and purchase of goods on credit (with payment by installments) shall apply to the commercial credit agreement, taking into account the specifics provided for in this clause.

4. A bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, shall be obliged to:

1) inform clients about the provision of services related to Islamic banking operations;

2) indicate in the documents presented to the client a note (inscription) that the banking service provided relates to Islamic banking operations.

Article 34. Requirements for a bank with a universal banking license, a branch of a bank - non-resident of the Republic of Kazakhstan with universal banking license, carrying out Islamic banking operations

1. A bank with a universal banking license, a branch of a bank - non-resident of the Republic of Kazakhstan with a universal banking license, carrying out Islamic banking operations, shall be obliged to ensure:

1) the availability of allocated assets for carrying out Islamic banking operations, the minimum size of which is established by the regulatory legal act of the authorized body;

2) separate accounting of assets and liabilities related to Islamic banking operations from other assets and liabilities of a bank, a branch of a bank - non-resident of the Republic of Kazakhstan.

2. A bank with a universal banking license, a branch of a bank - non-resident of the Republic of Kazakhstan with a universal banking license, carrying out Islamic banking operations, for the purpose of ensuring separate accounting of assets and liabilities related to Islamic banking operations from their other assets and liabilities, shall be required to have separate correspondent accounts and separate bank accounts of clients intended for:

Islamic banking operations, as well as banking and other operations carried out in compliance with the principles established by Article 35 of this Law;

banking and other operations carried out on the basis of a universal banking license.

3. Assets generated (accounted for) within the framework of Islamic banking operations cannot be used to pay off (cover) losses and (or) fulfill obligations under banking and (or) other operations that do not comply with the principles of Islamic banking operations.

Liabilities and losses arising from Islamic banking operations cannot be fulfilled and (or) repaid (covered) using assets that do not comply with the principles of Islamic banking operations.

Article 35. Principles of Islamic banking operations

1. A bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, shall not have the right, in the process of carrying out Islamic banking operations:

1) to charge remuneration in the form of interest;

2) to guarantee the return of the investment deposit or income on it;

3) to finance (credit) activities related to the production and (or) trade of tobacco and (or) alcoholic products, weapons and (or) ammunition, gambling, as well as other types of activities, the financing (credit) of which is prohibited by the council on the principles of Islamic finance.

2. The Council on the principles of Islamic financing shall have the right to:

1) determine additional principles of Islamic banking operations that are mandatory for compliance by a bank or branch of a bank that is a non-resident of the Republic of Kazakhstan and that carries out Islamic banking operations;

2) recognize certain types of banking and (or) other operations provided for in part one of paragraph 2 and part one of paragraph 3 of Article 22 of this Law as not complying with the principles of Islamic banking operations.

Article 36. Council on the principles of Islamic financing

1. In order to determine the compliance of operations and (or) transactions with the principles established by Article 35 of this Law, an Islamic bank, a bank with a universal banking license, carrying out Islamic banking operations, shall be required to have a council on the principles of Islamic finance.

Determination of the compliance of operations and (or) transactions of a branch of an Islamic bank - non-resident of the Republic of Kazakhstan, a branch of a bank - non-resident of the Republic of Kazakhstan with a universal banking license, carrying out Islamic banking operations, with the principles established by Article 35 of this Law, shall be carried out by the council on the principles of Islamic financing or another similar body permanently operating in the bank - non-resident of the Republic of Kazakhstan.

2. The Council on the principles of Islamic financing shall be an independent body appointed by the general meeting of shareholders of the bank on the recommendation of the board of directors of the specified bank.

3. The head and members of the council on the principles of Islamic financing in a bank with a universal banking license carrying out Islamic banking operations, an Islamic bank, must comply with the requirements established by the regulatory legal act of the authorized body.

4. The rules on general conditions for carrying out Islamic banking and other operations, the rules on the internal credit policy in relation to Islamic banking operations shall be subject to approval by the board of directors of the bank, the management body of the bank - non-resident of the Republic of Kazakhstan, having a branch in the territory of the Republic of Kazakhstan, in the presence of a positive opinion of the council on the principles of Islamic finance (a similar body permanently operating in the bank - non-resident of the Republic of Kazakhstan).

5. Unless otherwise provided by this Law, the charter and (or) internal documents of a bank, branch of a bank - non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, decisions of the credit committee, as well as operations and (or) transactions concluded within the framework of Islamic banking operations, shall not require separate approval and (or) coordination by the council on the principles of Islamic finance (a similar body permanently operating in a bank - non-resident of the Republic of Kazakhstan).

In this case, the council on the principles of Islamic finance (a similar body permanently operating in a bank that is a non-resident of the Republic of Kazakhstan) shall have the right to check, at its own discretion, any decision of the credit committee regarding Islamic banking operations, as well as any operation and (or) transaction that is at the stage of being concluded or concluded by a bank, a branch of a bank that is a non-resident of the Republic of

Kazakhstan, carrying out Islamic banking operations, for their compliance with the principles established by Article 35 of this Law.

Article 37. Consequences of recognizing operations and (or) transactions as not complying with the principles of Islamic banking operations

1. In the event that the council on the principles of Islamic financing (a similar body permanently operating in a bank that is a non-resident of the Republic of Kazakhstan) recognizes operations and (or) transactions that are at the stage of being concluded as not complying with the principles established by Article 35 of this Law, the specified operations and (or) transactions may not be carried out (concluded) by the bank, a branch of the bank that is a non-resident of the Republic of Kazakhstan carrying out Islamic banking operations.

2. In the event that the council on the principles of Islamic financing (a similar body permanently operating in a bank that is a non-resident of the Republic of Kazakhstan) recognizes the operations and (or) transactions of a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, as not complying with the principles established by Article 35 of this Law:

concluded but not completed or partially completed operations, and (or) transactions shall be subject to termination (cancellation) at the request of a bank, a branch of a bank - a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, in the manner established by the civil legislation of the Republic of Kazakhstan;

the income of a bank, branch of a bank – a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, from completed or partially completed operations and (or) transactions must be directed to charity.

Article 38. Islamic banking deposits

1. Under a non-interest-bearing demand deposit agreement, a bank or a branch of a non-resident bank of the Republic of Kazakhstan conducting Islamic banking operations shall undertake to accept the client's money as a demand bank deposit that does not provide for the payment or guarantee of payment of remuneration in the form of interest on the amount of money accepted, and to return the said money or part thereof upon receipt of a corresponding demand from the client.

The rules governing a bank deposit agreement shall apply to a non-interest-bearing deposit agreement, except for the provisions relating to the payment of remuneration.

2. Under an investment deposit agreement, a bank or a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, shall undertake to accept the client's money for a specified period without a guarantee of its return in nominal terms, and to pay income on it depending on the results of using the transferred money in the manner prescribed by the investment deposit agreement.

The rules of the agreement on trust management of property shall apply to the agreement on investment deposit, with the specifics provided for in this Article in relation to:

the procedure for use and refund;

rights and obligations of the parties;

the procedure for determining and calculating the remuneration of a trustee, which is a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations.

When concluding an investment deposit agreement, a current bank account may be opened.

3. The investment deposit agreement must define:

the amount of remuneration of the trustee, which is a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, for managing the money of the client – the founder of the trust management;

terms and procedure for refund;

risks of losses from the use of money;

other conditions by agreement of the parties.

4. The remuneration of a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, under an investment deposit agreement is a portion of the income received from the use of funds attracted to the investment deposit, provided that the remuneration can be paid only from the income from the use of funds under the investment deposit.

A bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan carrying out Islamic banking operations shall lose the right to remuneration under an investment deposit agreement if the investment deposit is unprofitable (if there is no income from the use of funds attracted under the investment deposit).

5. The terms of the investment deposit agreement may not provide for guaranteed amounts of income on the investment deposit and (or) remuneration of a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, except for the case that provides for the placement by the bank, a branch of a bank that is a non-resident, carrying out Islamic banking operations of the attracted funds in assets that can generate income at the level specified in the investment deposit agreement.

6. The client shall lose the right to receive income in the event of early return of the investment deposit at his request, unless otherwise provided by the investment deposit agreement.

7. The investment deposit agreement may provide for:

terms on determination of the methods of using the money by the client;

list of assets or investment objects;

terms for the use of client funds separately from the funds of other clients of the bank, a branch of a bank - a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, without the right to combine them.

8. A bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, shall be required to keep records of the funds use for

individual investment deposits in order to determine the procedure and results of the funds use, including in relation to:

ways of using money;

list of assets or investment objects;

the amount of income or loss from the use of money;

the amount of remuneration of a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations.

9. A bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations shall be required to submit, at the client's request, a report on the use of funds under an investment deposit.

10. Unless otherwise provided by the investment deposit agreement, a client who has deposited money into an investment deposit shall not be liable for the obligations of a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, arising in connection with the investment of clients' money placed into an investment deposit, but shall bear the risk of losses associated with a decrease in the value of the assets in which the money was invested, within the limits of the amount of money deposited into the investment deposit.

11. A bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, shall not be liable for losses associated with a decrease in the value of assets in which investment deposit money was invested, except in cases where such losses arose due to the fault of the bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations.

In the event that losses associated with a decrease in the value of assets in which investment deposit funds were invested arose due to the fault of a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan carrying out Islamic banking operations, then a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations shall be obliged to inform the client of the occurrence of such losses and compensate the client for the losses incurred.

Article 39. Specific features of the issue of Islamic securities

An Islamic bank shall have the right to issue:

1) shares, with the exception of preferred shares;

2) other securities, with the exception of bonds or other debt securities that provide for a guaranteed amount of remuneration or payment of remuneration in the form of a percentage of the value.

Article 40. Bank financing of individuals and legal entities acting as a trading intermediary through the provision of commercial credit without the condition of subsequent sale of goods to a third party.

1. A bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, shall have the right to finance individuals and legal

entities acting as a trading intermediary by providing a commercial credit to the buyer or seller of goods on the basis of a commercial credit contract without the condition of the subsequent sale of the goods to a third party.

2. The rules of the contract for the sale and purchase of goods on credit (with deferred or installment payment) shall apply to the commercial credit contract, taking into account the specifics provided for in this Article and the principles established by Article 35 of this Law.

3. The commercial credit contract must contain:

name and quantity of goods;

the price at which the buyer purchases goods from a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, indicating the amount of the markup on the goods, the terms of the commercial credit (payment deferment or installment plan).

4. Unless otherwise provided in the commercial credit contract, the sale price of goods by a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations to the buyer consists of the purchase price of the goods from the seller plus a markup. The markup may be set as a fixed amount or a percentage of the purchase price of the goods from the seller.

5. When purchasing goods, a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations shall be required to indicate in the sales contract with the seller that the goods are being purchased for the purpose of concluding a commercial credit contract.

6. It is prohibited to purchase goods from a seller who is also the buyer under a commercial credit contract. A sales contract concluded between the seller of goods and a bank , a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations may include the following terms:

advance payment for goods;

return of the purchased goods within a specified period and refund of the purchase price of the goods.

7. A commercial credit contract may provide for the terms for securing the fulfillment of the buyer's obligations to pay for goods by pledging money or other property.

8. A conclusion by the council on the principles of Islamic financing (a similar body permanently operating in a bank that is not a resident of the Republic of Kazakhstan) on the compliance of a commercial credit contract with the principles established by Article 35 of this Law shall be required if the subject of the specified contract is the acquisition of goods in the form of:

1) manufactured processed products, movable or immovable property;

2) separable fruits, agricultural, livestock, and other similar products obtained (produced) as a result of the use of property, performance of works, or provision of services.

9. A commercial credit contract concluded between a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, and a seller who is the manufacturer (producer) of the goods specified in paragraph 8 of this Article, may provide for immediate partial or full advance payment for the purchased goods (commercial credit in the form of an advance payment) subject to the condition of the goods delivery within the time period determined by agreement of the parties (delivery deferment).

When providing a commercial credit to a manufacturer (producer) of goods, the sales contract concluded between a bank, a branch of a bank - a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, and the direct buyer of the goods may provide for the terms on immediate partial or full advance payment for the goods subject to the terms of delivery of the goods within the time period determined by agreement of the parties (deferred delivery).

10. In the event of concluding a commercial credit contract, as provided for in paragraph 8 of this Article, the rules on labour contract, supply, contracting, provision of services for a fee or other rules on the obligation corresponding to these relations, as provided for by the civil legislation of the Republic of Kazakhstan, shall apply to the relations between the bank, branch of a bank - non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, and the manufacturer (producer) of the goods.

Article 41. Bank financing of individuals and legal entities acting as a trading intermediary by providing commercial credit on the terms of subsequent sale of the goods to a third party

1. The provisions of Article 40 of this Law shall apply to the bank financing of individuals and legal entities acting as a trading intermediary by providing a commercial credit on the terms of subsequent sale of goods to a third party, taking into account the specifics provided for in this Article.

For the purposes of this Article, an individual or legal entity that purchases goods from a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations and subsequently sells them to a third party shall be referred to as a client of the specified bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations.

2. Financing of individuals and legal entities acting as a trading intermediary by providing a commercial credit on the terms of subsequent sale of goods to a third party shall be recognized as a transaction carried out under a commercial credit contract in compliance with the following conditions:

1) the parties to the commercial credit contract shall be a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, and a client of the specified bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations. The commercial credit contract shall

specify a third party to whom the subsequent sale of goods by the client of the bank or a branch of a non-resident bank of the Republic of Kazakhstan carrying out Islamic banking operations is carried out (for the purposes of this Article, a third party);

2) the purchase of goods by a client of a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, under a commercial credit contract, as well as the subsequent sale of goods by the specified client to a third party, shall be carried out with the participation of a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations;

3) a commercial credit shall be provided on the terms of the sale by a client of a bank, a branch of a bank – non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, to a third party of goods purchased by the client from a bank, a branch of a bank – non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations.

Ownership of the goods sold under a commercial credit contract shall pass to the third party immediately upon conclusion of the commercial credit contract. Payment for the goods by the third party shall be made without delay after the transfer of the goods and the related documents to such third party, at the price at which the bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan carrying out Islamic banking operations acquired the goods from the supplier.

4) the goods in the commercial credit contract shall be defined as goods sold on international commodity exchanges and purchased by a bank, a branch of a bank - non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, on international commodity exchanges or in the over-the-counter market outside the Republic of Kazakhstan. A bank, a branch of a bank - non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, and their client shall not have the right to simultaneously sell the same goods under several commercial credit agreements;

5) a client of a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, shall make a subsequent sale to a third party of the goods specified in the commercial loan contract, in the quantity and at the price specified in the commercial loan contract, excluding the markup of the bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations;

6) the seller of goods who sells goods to a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations may not be a third party to whom the subsequent sale of goods is made;

7) a bank, a branch of a bank – a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, their client and a third party shall not be related parties in accordance with the Tax Code of the Republic of Kazakhstan.

3. For the purposes of subparagraph 4) of paragraph 2 of this Article, an international commodity exchange shall be recognized as a commodity exchange that meets the following criteria:

the commodity exchange shall operate on the territory of a state that has a sovereign rating of at least A from one of the rating agencies, the list of which is established by the authorized body;

information on the volume and number of exchange transactions concluded on the commodity exchange shall be published in statistical reports posted on the Internet resource of the World federation of exchanges.

The list of international commodity exchanges where the purchase and sale of goods is carried out within the framework of financing individuals and legal entities as a trade intermediary by providing a commercial credit on the terms of the subsequent sale of goods to a third party shall be established by the Government of the Republic of Kazakhstan.

Article 42. Bank financing of production and trading activities through participation in the capital of legal entities and (or) on a partnership terms

1. A bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, shall have the right to finance production and trading activities on the terms of a partnership agreement for the purpose of generating income or achieving another goal that does not contradict the legislation of the Republic of Kazakhstan.

2. A partnership agreement may provide for a condition on the establishment of a legal entity (a partnership agreement with the creation of a legal entity).

The provisions of part one of this paragraph shall not apply to a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations.

3. A partnership agreement may be concluded after receiving a positive opinion from the Council on the principles of Islamic financing on the compliance of the specified agreement with the principles established by Article 35 of this Law.

Violation of the principles established by Article 35 of this Law shall be grounds for:

early termination of the partnership agreement;

liquidation of a legal entity created on the basis of a partnership agreement, or alienation by a bank carrying out Islamic banking operations of its shares or participation interests in the capital of a legal entity;

direction by a bank, a branch of a bank – non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, of the income received to charity.

4. The rules of a joint activity agreement with the specifics provided for in this Article shall apply to a partnership agreement without a condition on the establishment of a legal entity (a simple partnership agreement with the participation of a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations)
.

5. A partnership agreement without a condition on the establishment of a legal entity (a simple partnership agreement with the participation of a bank, a branch of a bank – a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations) must contain:

the purpose of joint activities;

the term of the agreement or the conditions under which the agreement is terminated;

the procedure and frequency of distribution of income from joint activities;

liability of the participant for violation of the terms of the agreement;

information on the list, types and value of property contributed by each participant in a simple partnership for the implementation of joint activities.

Unless otherwise provided by the agreement specified in part one of this Article, the size of the share of each of the participants of a simple partnership in the common property shall be determined in proportion to the value of the property contributed by them for the implementation of joint activities.

A partnership agreement without a condition on the establishment of a legal entity (a simple partnership agreement with the participation of a bank, a branch of a bank – a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations) may provide for a condition on the use of part of the income received from joint activities for charitable purposes.

6. Income from joint activities, common expenses and losses of the parties to a partnership agreement without a condition on the establishment of a legal entity (a simple partnership agreement with the participation of a bank, a branch of a bank – a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations) shall be distributed proportionally to the share in the common property, unless otherwise provided by the specified agreement.

The specified income from joint activities must be distributed according to actual results without taking into account expected income.

The income of a participant in a simple partnership cannot be set as a fixed sum of money.

If the common property of a simple partnership is insufficient, its participants shall be liable for obligations related to the partnership agreement without the condition of establishing a legal entity (a simple partnership agreement) with the participation of a bank, a branch of a bank – a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, in proportion to their shares in the common property.

7. The rules on the founding agreement (establishment) of a legal entity of the corresponding organizational and legal form shall apply to a partnership agreement with the creation of a legal entity, unless otherwise provided by the partnership agreement and (or) the rules of this Article.

8. A partnership agreement for the establishment of a legal entity, in addition to the information required by the legislation of the Republic of Kazakhstan for such an agreement (

founding agreement), must contain information on the goals and terms of the partnership, a condition on the distribution of the organization's income in proportion to the contributed share of each participant.

9. The rules of a partnership agreement with the establishment of a legal entity shall also apply to cases of partnership, the terms of which are the acquisition of shares or participation interests in the capital of a legal entity, with the essential condition that the purpose of the partnership is to finance the production or trading activities of the specified legal entity.

Article 43. Banking investment activities on the terms of leasing (rental) of property.

1. A bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, shall have the right to carry out banking investment activities under the terms of leasing (rental) of property.

2. The rules on financial leasing or on property lease with the specifics provided for in this Article shall apply to the relations of a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, within the framework of banking investment activities under the terms of leasing (rental) of property.

3. An agreement on banking investment activities under the terms of leasing (rental) of property, concluded with a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, may not provide for the right to purchase the leased property.

The right of ownership of the property that is the subject of the specified agreement may be transferred to the lessee (tenant) on the basis of a separate agreement.

4. An agreement on banking investment activities under the terms of leasing (rental) of property shall be concluded by a bank or a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, in accordance with the rules on the general conditions for carrying out Islamic banking and other operations and does not require separate approval and (or) coordination by the council on the principles of Islamic finance (a similar body permanently operating in a bank that is a non-resident of the Republic of Kazakhstan), unless otherwise provided by the charter (regulations) and (or) internal documents of the bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations.

5. An agreement on banking investment activities under the terms of leasing (rental) of property, concluded with a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, may provide for a condition on securing obligations to pay leasing payments (rent) by pledging property.

Article 44. Agency activities in the implementation of Islamic banking operations

1. A bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations, when carrying out Islamic banking operations, shall have the right to carry out agency activities, in accordance with which they act as an agent of their client or appoint a third party as their agent.

In accordance with the agency agreement, the agent, on behalf of and at the direction of the client, or on his own behalf, but at the direction and expense of the client, shall undertake, based on his own experience and knowledge, to perform certain legal actions for a fee aimed at generating income.

2. The rules on agency or commission agreements, with the specifics provided for in this Article, shall apply to the agency agreement when carrying out Islamic banking operations, depending on its terms.

3. Individuals and legal entities, including banks and other financial institutions, may act as a party to an agency agreement (client or agent) concluded with a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, carrying out Islamic banking operations.

4. Agency agreement in the implementation of Islamic banking operations shall:

establish the procedure for determining and paying the agent's remuneration;

not be able to provide a guaranteed amount of income for the client.

5. An agent under an agency agreement when carrying out Islamic banking operations shall retain the right to receive remuneration regardless of the results of the execution of the agency agreement.

The risk of losses resulting from the agent's activities shall be borne by the client of the agency agreement when carrying out Islamic banking operations, except in cases where losses arise due to the agent's fault.

Chapter 8. SPECIFIC FEATURES OF CORPORATE GOVERNANCE

Article 45. Executives of a bank, banking holding company, branch of a bank – non-resident of the Republic of Kazakhstan

1. The following ones shall be recognized as the bank’s executive employees:

1) the head and members of the governing body;

2) the head of the executive body, his/her deputy and members of the executive body;

3) chief accountant and deputy chief accountant;

4) other bank executives who coordinate, and (or) control the activities of the bank’s structural divisions and who have the right to sign documents on the basis of which banking activities are carried out;

5) other persons recognized as senior employees of the bank using the reasoned judgment of the authorized body.

The top managers of separate divisions of the bank and their chief accountants and deputy chief accountants, as well as persons who have the right to sign documents on the basis of which banking activities are carried out and who exercise control over the activities of only one structural division, shall not be considered as executive employees of the bank.

2. The following ones shall be recognized as executive employees of a banking holding company – resident of the Republic of Kazakhstan:

1) the head of the governing body, his/her deputy and members of the governing body;

2) the head of the executive body, his/her deputy and members of the executive body;
3) chief accountant and deputy chief accountant;
4) other managers who coordinate and (or) control the activities of subsidiaries or organizations in which the banking holding company has a significant capital stake;
5) other persons recognized as executives of a banking holding company – a resident of the Republic of Kazakhstan using the reasoned opinion of the authorized body.

3. The following ones shall be recognized as executive employees of a banking holding company that is a non-resident of the Republic of Kazakhstan:
1) the head of the governing body, his/her deputy and members of the governing body;
2) the head of the executive body, his/her deputy and members of the executive body;
3) chief accountant;
4) other persons recognized as executives of a banking holding company that is a non-resident of the Republic of Kazakhstan using the reasoned opinion of the authorized body .

4. The following ones shall be recognized as executive employees of a branch of a bank that is a non-resident of the Republic of Kazakhstan:
1) the head of the branch and his/her deputies;
2) other branch managers who coordinate and (or) control the activities of structural divisions of a branch of a bank that is a non-resident of the Republic of Kazakhstan and who have the right to sign documents on the basis of which banking activities are carried out;
3) chief accountant and deputy chief accountant;
4) other persons recognized as executives of a branch of a bank that is a non-resident of the Republic of Kazakhstan using the reasoned judgment of the authorized body.

At least two executives of a branch of a bank that is not a resident of the Republic of Kazakhstan must be residents of the Republic of Kazakhstan.

For the purposes of subparagraph 7) of paragraph 2 of Article 16 and subparagraph 2) of paragraph 2 of Article 126 of this Law, the executive employees of a bank that is a non-resident of the Republic of Kazakhstan shall be recognized as the head of the management body, his/her deputy and members of the management body, the head of the executive body, his/her deputy and members of the executive body, and the chief accountant.

5. The requirements imposed on the executives of a bank, a bank holding company, or a branch of a bank that is a non-resident of the Republic of Kazakhstan, and the procedure for their approval shall be established by Article 9-4 of the Law of the Republic of Kazakhstan " On State Regulation, Control, and Supervision of the Financial Market and Financial Organizations."

6. In the event that a person is recognized as a bank executive using the reasoned judgment of the authorized body and a supervisory response measure provided for in subparagraph 11) of paragraph 1 of Article 80 of this Law is applied to the bank, the bank shall be obliged to submit, within the time period established by the authorized body,

documents for obtaining consent to the appointment (election) of the executive, confirming the compliance of the person recognized as the bank executive using the reasoned judgment of the authorized body with the requirements established by Article 9-4 of the Law of the Republic of Kazakhstan "On State Regulation, Control and Supervision of the Financial Market and Financial Organizations".

If documents are not submitted within the time period established by the authorized body, the bank shall be obliged to terminate the employment contract with the person recognized as a senior employee of the bank using the reasoned judgment of the authorized body, and (or) to take other measures to terminate the powers of this person.

The provisions of this paragraph shall apply to bank holdings and branches of banks that are non-residents of the Republic of Kazakhstan.

7. The head and members of the management body, the head and members of the executive body of an organization carrying out certain types of banking operations must comply with the requirements established by Article 9-4 of the Law of the Republic of Kazakhstan "On state r control, and supervision of the financial market and financial organizations." If they comply with these requirements, the head and members of the management body, the head and members of the executive body of an organization carrying out certain types of banking operations, shall be appointed (elected) to positions without the consent of the authorized body.

An organization carrying out certain types of banking operations shall, at the request of the authorized body, remove the head and member of the management body, the head and member of the executive body in the event of their non-compliance with the requirements established by Article 9-4 of the Law of the Republic of Kazakhstan "On state regulation, control and supervision of the financial market and financial organizations."

In the event that the authorized body applies the supervisory response measure provided for in subparagraph 11) of paragraph 1 of Article 80 of this Law to the head (member) of the management body, the head (member) of the executive body of an organization carrying out certain types of banking operations, this organization shall be obliged to terminate the agreement with this person and (or) to take other measures to terminate his powers.

For the heads of the executive body of an organization carrying out certain types of banking operations, which is a subsidiary of a national management holding in the agro-industrial complex, the length of service established by subparagraph 3) of paragraph 2 of Article 9-4 of the Law of the Republic of Kazakhstan "On state regulation, control and supervision of the financial market and financial organizations" shall also include the length of service in social entrepreneurship corporations.

8. The executive employees of the National postal operator shall be recognized as members of the executive body of the National postal operator, whose job responsibilities include overseeing issues related to the implementation of certain types of banking operations
.

The requirements of paragraph 7 of this Article shall apply to the executives of the National postal operator.

Article 46. Independent directors of the bank

1. A person who is or intends to become a member of the board of directors of a bank - an independent director, must meet the requirements established by the Law of the Republic of Kazakhstan "On Joint-Stock Companies" for an independent director, as well as the following additional requirements indicating the independence of the specified person from the bank (hereinafter - independence requirements):

1) the specified person does not receive remuneration for the performance of official duties, including in the form of bank shares and (or) rights to receive bank shares (derivative securities, the underlying asset of which are bank shares), in an amount exceeding one percent of the total number of issued shares of the bank and has not received such remuneration or salary during the last three years.

The requirement established by part one of this subparagraph shall not apply to remuneration received by the specified person for the performance of his official duties as an independent director of the bank and (or) an independent director of a person connected with the bank by special relations;

2) the specified person, during the year preceding his/her appointment as an independent director of the bank:

did not have any significant business relationship with the bank and (or) a person connected with the bank by special relations;

did not own more than one percent of shares, equity interests, units or other forms of equity participation, and was not an official in an organization that had significant business relations with the bank and (or) was a person connected with the bank by special relations.

In this subparagraph, significant business relations mean the conclusion of transactions in an amount exceeding the amount established by the regulatory legal act of the authorized body;

3) the specified person was not, during the last three years preceding his appointment as an independent director of the bank, an employee of an audit organization that carried out an external audit of the bank, a major participant in the bank (bank holding), an organization that exercised control over a major participant in the bank (bank holding) and (or) a subsidiary of the bank;

4) the specified person is not and has not been an independent director of the bank for more than nine consecutive years from the date of his first appointment;

5) the specified person does not represent, by virtue of authority based on a power of attorney, legislation, a court decision or an administrative act, the interests of a major participant in the bank (bank holding company) and (or) a person connected with the bank by special relations, and has not carried out such representation during the last three years;

6) the specified person is not a person connected with the bank by special relations, and (or) was not one during the three years preceding the date of filing the application for his approval for the position of independent director of the bank;

7) the specified person is not and has not been an official of an entity connected with the bank by special relations during the last three years, except for the performance of official duties as an independent director of an entity connected with the bank by special relations;

8) the specified person does not own directly and (or) indirectly more than one percent of:

bank shares;

shares, equity stakes, units or other forms of equity participation in an organization that is a person connected with the bank by special relations;

9) the specified person does not have any other conflict of interest that may prevent him from independently and objectively performing his official duties and (or) expose him/her to undue influence from other persons (including officials or shareholders of the bank) due to the fact that the specified person and (or) his close relatives have held in the past or currently hold any positions and (or) have personal, professional or commercial relationships with other members of the board of directors of the bank and (or) the executive body of the bank, and (or) other persons connected with the bank by special relationships.

For the purposes of this paragraph, a conflict of interest means a situation in which a contradiction arises between the personal interest of the specified person and the proper performance of his/her official duties and (or) the property and other interests of the bank and (or) its employees, and (or) clients, which entails (may entail) negative consequences for the bank and (or) its clients.

2. In order to ensure compliance with independence requirements, an independent director shall:

notify the board of directors of the bank of the occurrence of any circumstances that may result in the independent director failing to meet the independence requirements;

annually, within sixty calendar days after the end of the financial year, submit to the HR and Remuneration Committee of the Board of Directors of the bank a declaration regarding compliance with the independence requirements in the form approved by the regulatory legal act of the authorized body.

The HR and Remuneration Committee of the Board of Directors of the bank, taking into account the information provided by the independent director, shall evaluate the independent director for compliance with independence requirements and issue an opinion on the independent director's independence. It also ensures prompt disclosure to the board of directors of any circumstances that indicate the independent director's non-compliance with independence requirements. The independent director does not participate in the HR and Remuneration Committee of the Board of Directors of the bank in cases where the independent director is being assessed for compliance with independence requirements.

In the event that non-compliance of an independent director with the requirements for independence is detected and it is impossible to eliminate such non-compliance without damage (negative consequences) for the bank, the board of directors of the bank shall immediately submit for consideration by the general meeting of shareholders of the bank the issue of terminating the powers of this independent director.

3. The board of directors of the bank shall submit to the annual general meeting of shareholders of the bank a report on the compliance of the independent directors of the bank with the independence requirements.

4. The bank shall annually submit to the authorized body a report on the compliance of independent directors with the independence requirements in the form and within the timeframes established by the regulatory legal act of the authorized body.

Article 47. Remuneration of bank executives, a branch of a bank – non-resident of the Republic of Kazakhstan

1. Requirements for the internal policy of a bank, a branch of a bank - non-resident of the Republic of Kazakhstan on remuneration, accrual of monetary rewards, as well as other types of material incentives for the management of a bank, a branch of a bank - non-resident of the Republic of Kazakhstan shall be established by a regulatory legal act authorized body.

The requirements specified in part one of this paragraph shall not apply to the deputy chief accountant of a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan.

2. A bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan shall, within one hundred and twenty calendar days after the end of the financial year, submit to the National Bank of the Republic of Kazakhstan reports that include information on the income paid by the bank or a branch of a bank that is a non-resident of the Republic of Kazakhstan to executives during the financial year, in the form established by the regulatory legal act of the National Bank of the Republic of Kazakhstan in agreement with the authorized body.

Article 48. Risk management and internal control system

1. The bank shall establish a risk management and internal control system, which includes :

1) powers and functional responsibilities for risk management and internal control of the board of directors, management board, structural divisions of the bank, their responsibility;

2) internal policies and procedures for risk management and internal control;

3) limits on the permissible amount of risks separately for types of banking operations;

4) internal procedures for reporting on risk management and internal control to the bank’s bodies;

5) internal criteria for assessing the effectiveness of the risk management system.

The procedure for establishing a bank's risk management and internal control system shall be established by a regulatory legal act of the authorized body. This regulatory legal act shall also include the requirements for corporate governance within the bank.

The bank's board of directors shall monitor and ensure the effectiveness of implementation and functioning of the corporate management system in the bank.

2. When appointing employees to the position of head of risk management, head of the internal audit department, or chief compliance controller, the Bank shall independently check their compliance with the requirements established by the authorized body regarding the procedure for the formation of the risk management and internal control system.

3. A banking conglomerate must have a risk management and internal control system that complies with the requirements established by the regulatory legal act of the authorized body.

The parent organization of the banking conglomerate shall ensure compliance with the requirements for the risk management and internal control system on a consolidated basis.

The parent organization of a banking conglomerate shall be responsible for ensuring that the participants of the banking conglomerate comply with the requirements for the risk management and internal control system.

4. The authorized body shall assess the compliance of the bank and the banking conglomerate with the requirements for the risk management and internal control system, as well as the effectiveness of such a system in the manner established by Chapter 2-1 of the Law of the Republic of Kazakhstan "On State Regulation, Control and Supervision of the Financial Market and Financial Organizations."

5. A systemically important bank shall be obliged to accede to the agreement on general terms and conditions for the provision of a loan of last resort concluded between the National Bank of the Republic of Kazakhstan, the authorized body and the systemically important bank , and to ensure the passage of the preposition of the pledge of non-marketable assets provided as security for such a loan, in accordance with the procedure determined by the regulatory legal act of the National Bank of the Republic of Kazakhstan jointly with the authorized body.

6. The requirements established by paragraphs 1 and 2 of this Article shall apply to branches of banks that are non-residents of the Republic of Kazakhstan.

Article 49. Persons associated with a bank, banking conglomerate, branch of a non-resident bank of the Republic of Kazakhstan with special relations

1. Persons connected with the bank by special relations shall be recognized as:

1) officials, executives, managers and permanent members of the committees of the board of directors and (or) other bodies of the bank, whose powers include making decisions on the alienation of assets, changing the subject of the pledge and (or) termination of the pledge (except in cases of repayment by the debtor of obligations to the bank secured by the pledge, or collection by the bank of the pledge), decisions on the issuance of bank loans and (or) bank guarantees (sureties) in amounts higher than those established by the authorized body, as well as their spouses and close relatives;

2) persons who are major participants in a bank (bank holdings), major participants in a bank holding;

3) officials of a major participant in a bank (bank holding), a major participant in a banking holding, as well as their spouses and close relatives;

4) organizations in which the persons specified in subparagraphs 1), 2) and 3) of this paragraph directly and (or) indirectly own and (or) use and (or) dispose of ten or more percent of voting shares, participation interests, units or other forms of equity participation or are officials;

5) affiliated persons of the bank;

6) members of a banking conglomerate;

7) an individual or organization that meets the criteria for being connected to the bank through special relations established by the authorized body.

2. The authorized body shall have the right to classify an individual or organization as having a special relationship with the bank by using a reasoned judgment. In this case, the bank shall recognize this individual or organization as having a special relationship with it from the date the bank receives the relevant supervisory response from the authorized body.

3. The procedure for recognizing special relations between persons associated with a bank , a banking conglomerate, or a branch of a bank that is a non-resident of the Republic of Kazakhstan shall be determined by a regulatory legal act of the authorized body and shall include:

1) the amounts of bank loans and bank guarantees, the decision-making on the issuance of which falls within the powers of officials, executives, managers and permanent members of the committees of the board of directors and (or) other bodies of the given bank, non-resident bank of the Republic of Kazakhstan, branch of non-resident bank of the Republic of Kazakhstan, in excess of which the specified persons shall be recognized as persons associated with the bank, branch of non-resident bank of the Republic of Kazakhstan by special relations;

2) signs of connection of an individual or organization with a bank or branch of a bank – non-resident of the Republic of Kazakhstan by special relations;

3) a list of persons who are not recognized as persons associated with a bank or branch of a bank that is a non-resident of the Republic of Kazakhstan through special relations;

4) a list of persons connected with the banking conglomerate by special relations.

4. The bank shall be obliged to keep records of persons connected with the bank by special relations.

For the purposes of the specified accounting:

1) the persons specified in subparagraphs 1) and 3) of paragraph 1 of this Article shall submit to the bank information about their spouses and close relatives, as well as about the organizations specified in subparagraph 4) of paragraph 1 of this Article;

2) the persons specified in subparagraph 2) of paragraph 1 of this Article shall provide information about:

their spouses and close relatives (for a major participant in a bank, a major participant in a banking holding company who are individuals);

its officials (for a major participant in a bank (bank holding), a major participant in a banking holding that are legal entities);

organizations specified in subparagraph 4) of paragraph 1 of this Article.

The information specified in part two of this paragraph must be submitted to the bank within seven working days from the date of the emergence of a special relationship with the bank.

5. For the purposes of recognizing persons associated with a branch of a bank – non-resident of the Republic of Kazakhstan as having special relations:

the term “bank” in subparagraph 1) of paragraph 1 of this Article means a branch of a bank that is a non-resident of the Republic of Kazakhstan and (or) a bank that is a non-resident of the Republic of Kazakhstan;

the term “bank” in subparagraph 2) of paragraph 1 of this Article means a bank that is not a resident of the Republic of Kazakhstan;

the term “bank” in subparagraphs 5) and 7) of paragraph 1 of this Article means a branch of a bank that is a non-resident of the Republic of Kazakhstan.

6. The requirements of paragraphs 1, 2, 3 and 4 of this Article shall apply to organizations carrying out certain types of banking operations.

The requirement of paragraph 4 of this Article shall apply to branches of banks that are non-residents of the Republic of Kazakhstan.

Article 50. Transactions with persons connected with the bank by special relations

1. A bank with a basic banking license shall be prohibited from entering into transactions with persons who have special relationships with the bank, except for the transactions complying with the conditions established by the authorized body and in compliance with the requirements and restrictions provided for in this Article.

2. The bank shall not have the right to issue bank loans and bank guarantees to persons connected with the bank by special relations, with the exception of:

1) bank loans and bank guarantees provided to organizations that are part of a banking conglomerate;

2) bank loans and bank guarantees, the security, size and type of which comply with the requirements established by the authorized body;

3) bank loans and bank guarantees provided to persons who do not have signs of an unstable financial situation, as determined by the authorized body.

3. When concluding a transaction with a person connected to the bank by special relations , the bank shall be prohibited from:

1) providing preferential conditions to a person who has special relations with the bank;

2) issuing loans without collateral (blank loans) to a person who has a special relationship with the bank, with the exception of:

loans not exceeding the amount established by the authorized body;
loans to organizations that are part of a banking conglomerate;
3) issuing loans to members of the board of directors of a bank, a major participant in a bank and (or) a major participant in a banking holding company, except for the bank loans and financing provided for in subparagraphs 3), 4) and 5) of part one of paragraph 4 of Article 22 of this Law, not exceeding the amount established by the authorized body.
4. Providing preferential terms to a person connected with the bank by special relations means the conclusion of a transaction with a person connected with the bank by special relations, or in its interests, which, due to its nature, purpose, characteristics and risk, the bank would not have concluded with a person not connected with it by special relations, namely:
1) charging a fee or commission for performing a banking or other transaction that is lower than the terms offered to third parties;
2) payment of remuneration on deposits and other funds attracted by the bank from a person connected with the bank by special relations, which is higher than under the conditions offered to third parties;
3) acceptance of collateral, guarantees, sureties or other means of securing the fulfillment of obligations in an amount lower than that required for similar transactions with third parties;
4) provision of a deferment of fees, repayment of principal and (or) other payments for banking or other transactions longer than for similar transactions with third parties;
5) the acquisition of property and (or) services from a person connected with the bank by special relations, at a cost higher than the cost of similar property and (or) services acquired from third parties, in a transaction or set of transactions, the cost of which exceeds the amount established by the authorized body;
6) sale to a person connected with the bank by special relations of property at a cost lower than the cost of sale of similar property to third parties or lower than the market value;
7) sale of securities to a person connected with the bank by special relations at a price lower than the price of sale of similar securities to third parties or lower than the market value ;
8) the execution of transactions classified by the authorized body as transactions with preferential terms through the use of reasoned judgment.
5. The bank shall be prohibited from entering into a transaction with any person who is not a person connected with the bank by special relations, the value of which exceeds the amount established by the authorized body and which shall entail:
payment of obligations to a person connected with the bank by special relations;
purchase of any property from a person who has a special relationship with the bank;
acquisition of securities issued by a person connected with the bank by special relations, with the exception of securities owned by the bank.

The requirements of part one of this paragraph shall not apply to transactions of the bank with third parties that entail the acquisition by third parties of property from a subsidiary managing distressed assets.

6. A transaction with a person connected with the bank by special relations may be concluded, taking into account the requirements established by paragraphs 1, 2 and 3 of this Article, only by decision of the board of directors of the bank, with the exception of the following cases:

standard terms of the transaction have been approved by the bank's board of directors and shall apply to similar transactions with third parties;

the exclusive subject of the transaction shall be the acceptance of obligations to non-disclosure of information containing banking, commercial and (or) other secrets protected by law.

The person specified in paragraph 1 of Article 49 of this Law shall not participate in the consideration and decision-making on any transaction between the bank and:

by themselves;

any of his close relatives or his spouse;

any organization in which he or any of his close relatives, his spouse is an official (except for an independent director) or a major participant.

The decision of the board of directors on any transaction between the bank and a person connected with the bank by special relations may be taken only after the board of directors of the bank has considered all of its terms.

Waiver of rights of claim with respect to assets provided (placed) to persons (with persons) connected with the bank by special relations shall be carried out with subsequent notification of the general meeting of shareholders of the bank.

7. The procedure for concluding transactions with persons connected with the bank by special relations shall be determined by the regulatory legal act of the authorized body and includes:

1) the conditions for a bank with a basic banking license to conclude transactions with persons connected to the bank by special relations, the types of transactions and the maximum amounts of their value;

2) requirements for security, size and type of bank loans and bank guarantees, signs of an unstable financial situation of a person for the purposes of considering the possibility of issuing bank loans and bank guarantees to him;

3) the maximum amount of unsecured loans (blank loans) issued to a person who has a special relationship with the bank;

4) the maximum amount of loans issued to members of the board of directors of the bank, a major participant in the bank and (or) a major participant in a banking holding company when concluding a transaction with a person connected with the bank by special relations;

5) the maximum value of a transaction or a set of transactions with a person connected with the bank by special relations, in the event of the acquisition by the bank of property and (or) services from a person connected with the bank by special relations, at a cost higher than the cost of similar property and (or) services acquired from third parties;

6) the maximum amount of the value of a transaction concluded with any person who is not a person connected with the bank by special relations;

7) additional criteria for classifying transactions as transactions with preferential terms.

8. The bank shall be obliged to provide the National Bank of the Republic of Kazakhstan with information on persons connected with the bank by special relations, as well as on all transactions concluded with these persons, in the manner, timeframes and forms stipulated by the regulatory legal act of the National Bank of the Republic of Kazakhstan in agreement with the authorized body.

9. The requirements of this Article shall apply to bank holding companies, branches of banks that are non-residents of the Republic of Kazakhstan, as well as organizations carrying out certain types of banking operations.

For the purposes of applying the requirements of this Article to a branch of a bank that is a non-resident of the Republic of Kazakhstan, the board of directors of the bank means the relevant governing body of the bank that is a non-resident of the Republic of Kazakhstan.

10. The requirements of this Article shall not apply to non-residents of the Republic of Kazakhstan that are bank holding companies or entities possessing the characteristics of a bank holding company, if one of the following conditions is met:

the presence of an individual credit rating not lower than rating “A” from one of the rating agencies, the list of which is established by the authorized body, as well as a written confirmation from the financial supervisory authority of the relevant foreign state in which the banking holding is a resident, or the person having characteristics of a banking holding, stating that such non-residents of the Republic of Kazakhstan shall be subject to consolidated supervision.

the existence of an agreement on the exchange of information in the area of banking supervision, including in the form of a memorandum of understanding, letters, and (or) correspondence on the exchange of supervisory information between the authorized body and the financial supervisory authority of the state of which the bank holding company is a resident, or an entity possessing the characteristics of a bank holding company, 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 authorized body.

Article 51. Specific features of holding a general meeting of shareholders of a bank

1. The general meeting of shareholders of the bank shall be held in accordance with the requirements established by the Law of the Republic of Kazakhstan "On Joint-Stock Companies", taking into account the features established by the banking legislation of the Republic of Kazakhstan.

2. A bank shareholder who is a major participant in a bank or a banking holding company, participating in the general meeting of shareholders of the bank, shall submit to the bank a statement in which he confirms compliance with the requirement of paragraph 4 of Article 9 of this Law in the event that the bank does not have information about the country of his registration (citizenship).

A shareholder who is a major participant in a bank or banking holding company and who has not submitted the specified application shall:

1) not be taken into account when determining the quorum of the general meeting of shareholders of the bank;

2) not have the right to participate in voting and (or) discussion of issues considered at the general meeting of shareholders of the bank.

3. If the information specified in the shareholder's application, as provided for in part one of paragraph 2 of this Article, is inaccurate and is discovered after the decision has been taken by the general meeting of shareholders of the bank, in the event that:

1) if shareholders holding a majority of voting shares voted for such a decision (excluding the voting shares of the shareholder who provided false information), the decision of the general meeting of shareholders shall be considered adopted without taking into account the votes of the specified shareholder;

2) the vote of the shareholder who provided false information was decisive, this circumstance shall be the basis for recognizing the relevant decision of the general meeting of shareholders as invalid at the request of the authorized body, bank and (or) other interested party in the manner determined by the legislation of the Republic of Kazakhstan.

4. The provisions of paragraphs 2 and 3 of this Article shall apply to owners of derivative securities whose underlying asset is the voting shares of a bank.

SECTION 4. PROTECTION OF THE RIGHTS OF CONSUMERS OF BANKING SERVICES

Chapter 9. BASIC REQUIREMENTS TO THE CONDITIONS OF CARRYING OUT BANKING ACTIVITIES

Article 52. Basic requirements for the conditions of carrying out banking activities

1. A bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, when interacting with consumers of banking services, shall be obliged to comply with responsible business practices in the financial market, which provide for a set of principles and actions aimed at ensuring honest, transparent and fair treatment of consumers of banking services, including with respect to:

1) financial product management;

2) disclosure of information about banking services;

3) preventing unfair practices at all stages of interaction with consumers of banking services;

4) accepting responsibility for the activities of persons providing commercial representation of the bank when interacting with consumers of banking services;

5) consideration of appeals from consumers of banking services;

6) increasing the level of financial literacy of clients through the development and implementation of relevant activities.

Requirements for responsible business practices in the financial market shall be established by Chapters 2-4 of the Law of the Republic of Kazakhstan "On state regulation, control and supervision of the financial market and financial organizations."

2. A bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan shall carry out its activities in the presence of rules on the general conditions for carrying out banking and other operations, rules for general conditions to carry out Islamic banking and other operations (for a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan carrying out Islamic banking operations) (hereinafter - the rules for general conditions to carry out banking activities).

3. The rules for general conditions to carry out banking activities shall be approved by the board of directors of the bank, the governing body of the bank - a non-resident of the Republic of Kazakhstan, having a branch in the territory of the Republic of Kazakhstan.

4. The rules for general conditions to carry out banking activities must comply with the requirements for the conditions of carrying out banking activities established by the regulatory legal act of the authorized body.

The requirements for the conditions of carrying out banking activities shall be established by:

1) the list of information that must be included in the rules on the general conditions for carrying out banking activities;

2) the procedure for disclosing information when providing banking services and consulting clients, including disclosing to clients the information on types of activities, the financing (lending) of which is prohibited by the council on the principles of Islamic financing;

3) the procedure for concluding a bank loan agreement with an individual not related to the implementation of entrepreneurial activity, including requirements for its content, execution, mandatory conditions, a bank deposit agreement and a bank account agreement;

4) the procedure for implementing responsible lending;

5) principles of good faith conduct in the provision of banking services;

6) types and signs of unfair practices, as well as the procedure for their identification in the provision of banking services;

7) responsible business practices for debt collection when dealing with insolvent clients;

8) the procedure for considering appeals from consumers of banking services that arise in the process of providing banking services;

9) requirements for the development and implementation of measures aimed at increasing the level of financial literacy of clients.

10) a list of commissions and other payments to be collected when issuing and servicing a bank loan to an individual not related to entrepreneurial activity;

11) the amount of a consumer bank loan issued to an individual.

The rules for general conditions to carry out banking activities, in addition to the information, the list of which is established by the regulatory legal act of the authorized body, specified in part one of this paragraph, must contain provisions on the procedure for working with clients, including:

the procedure for providing services to persons with disabilities and other low-mobility groups of the population, taking into account the requirements of the national standard for the accessibility of branches of financial institutions for the provision of services to persons with disabilities and other low-mobility groups of the population;

features of providing services to persons with disabilities and low-mobility groups of the population with the participation of a trusted person.

5. The rules for general conditions to carry out banking activities shall be public information and cannot be the subject of commercial or banking secrets.

6. A bank that is an accredited certification centre of the Republic of Kazakhstan shall create an electronic digital signature and issue an electronic digital signature certificate to its clients based on their application, subject to the following conditions being met:

1) availability of the client's consent to the creation of an electronic digital signature key and the issuance of an electronic digital signature certificate;

2) the client undergoes biometric authentication through the identification data exchange centre of the National Bank of the Republic of Kazakhstan (hereinafter - the IDEC), the functioning of which is provided for by the Law of the Republic of Kazakhstan "On Payments and Payment Systems";

3) identification by means of a one-time identification code.

If the client has not previously been identified through personal presence at the bank or by means of biometric authentication through the IDEC, the bank shall create the client's electronic digital signature and issue the electronic digital signature certificate only after the client undergoes biometric authentication through the IDEC.

The client's consent to the creation of electronic digital signature keys and the issuance of an electronic digital signature certificate, including those obtained in person at the bank, shall be stored in the IDEC with the ability for the client to revoke previously issued consents.

The issuance, storage, revocation, and establishment of validity periods for electronic digital signature keys and certificates to them issued by banks shall be carried out in accordance with the regulatory legal act of the authorized body in the field of information security.

7. Biometric authentication of clients when establishing business relations remotely by opening a bank account shall be carried out through the IDEC.

The procedure for conducting biometric authentication through the IDEC when opening bank accounts, as well as the storage periods for the results of biometric authentication, shall be established by the National Bank of the Republic of Kazakhstan.

Biometric authentication through the IDEC shall be carried out on the basis of the client's consent and using biometric data from the national biometric authentication system.

Banks and organizations carrying out certain types of banking operations shall be required to periodically update client data in accordance with the requirements of legislation on combating the legalization (laundering) of proceeds from crime, the financing of terrorism, and the financing of the proliferation of weapons of "mass destruction."

8. A bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan shall have the right to use artificial intelligence in the course of its activities and (or) provision of services for the purpose of assessing and managing risks.

A bank, a branch of a non-resident bank of the Republic of Kazakhstan shall be responsible for decisions made by using artificial intelligence.

9. A bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan shall carry out payments and money transfers on the territory of the Republic of Kazakhstan in the manner established by the legislation of the Republic of Kazakhstan.

10. The requirements established by this Article shall apply to organizations carrying out certain types of banking operations.

Article 53. Rates, commissions and tariffs

1. Remuneration rates, commissions and tariffs for the provision of banking and other services (operations) for individuals and legal entities shall be established by the bank independently, taking into account the restrictions established by the laws of the Republic of Kazakhstan.

2. Information on rates, commissions and tariffs for the provision of banking and other services (operations) for individuals and legal entities must be posted on the bank's website.

The specified information must be kept up to date by the bank, indicating the date of changes to current rates, commissions and tariffs, the number of the internal document and the body that adopted these changes.

3. The bank shall be obliged to indicate in the bank loan agreement all commissions and other payments, as well as their amounts, subject to collection in connection with the issuance and servicing of the bank loan, and shall not have the right to unilaterally:

change upwards the amounts of commissions and (or) other payments, as well as the procedure for their calculation, established on the date of conclusion of the bank loan agreement;

introduce new types of commissions and (or) other payments within the framework of the concluded bank loan agreement.

4. The bank shall establish the interest rate in the bank loan agreement:
for a borrower who is an individual – fixed or floating;
for a borrower who is a legal entity – fixed and (or) floating.
5. The bank shall be obliged to indicate interest rates in a reliable, annual, effective, comparable calculation (real value) in agreements concluded with clients, as well as when disseminating (publishing) information on the amounts of interest on loans and deposits (except for interbank loans and deposits).
The annual effective interest rate on the loan must not exceed the maximum amount determined by a joint regulatory legal act of the authorized body and the National Bank of the Republic of Kazakhstan.
The procedure for calculating interest rates in a reliable, annual, effective, comparable calculation (real value) for loans and deposits shall be approved by a regulatory legal act of the authorized body.
The requirements established by this paragraph shall not apply to Islamic banking operations.
6. Before concluding a bank loan agreement with an individual not related to entrepreneurial activity, the bank shall be obliged to provide the individual with alternative lending terms to choose from, in accordance with which:
in addition to the interest rate, the bank does not charge any commissions and (or) other payments related to the issuance and servicing of a bank loan;
the right of the bank to charge, in addition to the interest rate, commissions, with the exception of cases provided for in paragraph 8 of this Article, and (or) other payments related to the issuance and servicing of a bank loan is provided.
The lending terms chosen by an individual shall be subject to specification in the bank loan agreement.
7. The bank shall not have the right to charge commissions, penalties or other types of fines for early repayment of a bank loan from an individual not related to entrepreneurial activity.
The bank shall not have the right to charge commissions, penalties or other types of fines for early repayment of a bank loan from a legal entity, except in cases of partial early repayment or full early repayment of the principal debt by the borrower - a legal entity:
up to six months from the date of receipt of a loan issued for a period of up to one year;
up to one year from the date of receipt of a loan issued for a period exceeding one year.
8. The bank shall not be entitled, under a bank loan agreement with an individual not related to entrepreneurial activity, to establish or charge commissions for maintaining a bank account connected with the issuance and servicing of a bank loan, as well as for crediting the loan to the bank account.
9. The bank shall not have the right to unilaterally change the fixed interest rate in a bank loan agreement with an individual, except in cases of a downward change or a temporary

downward change, carried out in accordance with the procedure specified in paragraphs 4, 5 and 6 of Article 57 of this Law.

A temporary downward change in the interest rate means a reduction in the interest rate by the bank for a specified period, after which the interest rate shall be established at an amount not exceeding the interest rate that was in effect prior to the temporary change.

By agreement of the parties, the fixed interest rate may be changed to a floating interest rate during the term of the bank loan agreement with an individual.

By mutual agreement, the fixed interest rate may be increased upon expiration of the term specified in the bank loan agreement with an individual, but not earlier than three years from the date of the agreement. Each subsequent increase in the fixed interest rate is possible by mutual agreement upon expiration of the fixed interest rate, but not earlier than three years from the date of the previous change.

The procedure for calculating and the conditions for the validity of the floating interest rate under a bank loan agreement concluded with an individual and a bank deposit agreement shall be determined by the regulatory legal act of the authorized body.

10. The bank shall not have the right to unilaterally increase the interest rate established on the date of the conclusion of the bank loan agreement with a legal entity, except in the following cases:

1) violation by the borrower of his obligations to provide reliable information related to the receipt and servicing of the loan, in cases stipulated by the bank loan agreement;

2) the emergence of the bank's right to demand early fulfillment of obligations under the bank loan agreement in cases stipulated by the Civil Code of the Republic of Kazakhstan, as well as in the following cases stipulated by the bank loan agreement:

changes in the members of shareholders (participants) of the borrower, who collectively own ten or more percent of the voting shares (participatory interests) in the capital of the borrower, without prior written notice to the bank;

violation by the borrower and (or) the pledger of the right of the bank, which is the pledgee, to verify, through documents and in fact, the presence, size, condition and (or) storage conditions of the pledged property;

presentation by third parties of claims against the property of the borrower and (or) the pledger, including the property pledged in favour of the bank.

11. The bank shall notify its clients of increases in fees and tariffs for payments and transfers before the expected date of their changes, but not less than:

three months – for payments and transfers of individuals not related to entrepreneurial activities;

one month – for payments and transfers of legal entities and individual entrepreneurs carried out within the framework of entrepreneurial activities.

12. The requirements established by this Article shall apply to branches of banks that are non-residents of the Republic of Kazakhstan and organizations, carrying out certain types of banking operations.

Article 54. Methods of ensuring the fulfillment of obligations under a bank loan agreement

1. Fulfilment of obligations under a bank loan agreement may be secured by a penalty, pledge, guarantee, surety and (or) other methods provided for by the legislation of the Republic of Kazakhstan and (or) the agreement.

2. If several items of collateral are provided as security for the repayment of a loan, then in the event of proper fulfillment by the borrower of obligations under the bank loan agreement and provided that the market value of the items of collateral, determined by the appraiser at the time of the borrower's (pledgor's) request to reduce the collateral, exceeds the amount of the unfulfilled portion of the borrower's obligations, taking into account the requirements of the bank's collateral policy, the bank shall be obliged, within ten working days from the date of the borrower's (pledgor's) request, to take measures to terminate (amend) the agreement(s) on collateral in the part that exceeds the amount of the borrower's obligation.

3. If the amount of unfulfilled obligations under a bank loan agreement is less than ten percent of the value of the collateral, the bank shall be obligated, within twenty working days from the date of the borrower's (pledgor's) request, to consider, taking into account the requirements of the bank's collateral policy, the possibility of replacing the collateral with other property, the market value of which, determined by the appraiser at the time of the request, covers the amount of the unfulfilled obligation under the specified bank loan agreement.

4. The requirements established by paragraphs 1, 2 and 3 of this Article shall apply to ensuring the operations of banks to issue bank guarantees and bank sureties.

5. When a bank accepts a guarantee from a special fund for the development of private entrepreneurship as security for the fulfillment of the borrower’s obligations under a bank loan agreement, the cost of such a guarantee for calculating provisions (reserves) shall be determined by the bank in an amount equal to the sum of the loan secured by the guarantee.

6. The requirements established by this Article, with the exception of paragraph 5 of this Article, shall apply to branches of banks that are non-residents of the Republic of Kazakhstan and organizations, carrying out certain types of banking operations.

Article 55. Ensuring information security and continuity of banking activities

1. The bank shall ensure information security and continuity of banking activities based on the following principles:

1) compliance with legislation and mandatory standards – the bank conducts regular checks and audits of information security for compliance with the requirements of the legislation of the Republic of Kazakhstan and mandatory standards in the field of information security;

2) management involvement – participation, control and responsibility on the part of the head or member of the executive body of the bank for ensuring information security and continuity of banking activities;

3) comprehensiveness – implementation of information security by the bank at the organizational, technical and personnel levels, taking into account external and internal threats;

4) limited access – the bank provides each information security participant with access only to the information and resources that are necessary and sufficient to perform his functional duties;

5) minimization of data storage – the bank stores only that information and data that are necessary and sufficient to perform the tasks carried out by the bank;

6) monitoring – recording and timely analysis of users' actions and events in the bank's information and communication infrastructure by the bank;

7) awareness – systematic improvement and regular checking of the level of professional knowledge and skills of bank employees in the field of information security by the bank;

8) security updates and testing – timely updating of software and operating systems by the bank, as well as regular vulnerability checks and penetration tests in the bank's information and communications infrastructure;

9) continuity and recovery – data backup by the bank, planning and testing the recovery of the bank's information and communication infrastructure.

2. The bank shall ensure the availability of an information security management system and shall comply with information security in accordance with the requirements established by the regulatory legal act of the authorized body.

3. The bank shall submit information on the availability of an information security management system, as well as on compliance with the requirements for ensuring information security, to the National coordination centre for information security in the manner and within the timeframes determined by the regulatory legal act of the authorized body in agreement with the authorized body in the field of information security.

4. The bank shall ensure monitoring of information security events, response to information security incidents in real time, and investigation of information security incidents in the manner determined by the authorized body.

5. The bank shall provide the authorized body with information on vulnerabilities in the information and communications infrastructure, received, among other things, from third parties, as well as on information security events and incidents, including information on violations and failures in information systems, in the manner and within the timeframes determined by the regulatory legal act of the authorized body.

6. The bank shall ensure the operation of a backup data processing centre and backup communication channels to ensure the continuous operation of information and communication infrastructure facilities.

7. The bank shall notify the clients of planned works carried out in the information and communications infrastructure that affect the availability of banking and other operations to clients, in the manner and within the timeframes established by the Bank's internal documents and (or) agreements concluded with clients.

8. The bank shall ensure a guaranteed level of continuity of banking and other operations for clients, as established by the bank's internal documents. These internal documents shall be subject to placement on the bank's website.

9. The requirements for the continuity of operation of the bank's information and communication infrastructure shall be established by a regulatory legal act of the authorized body.

10. The requirements established by this Article shall apply to branches of banks that are non-residents of the Republic of Kazakhstan and organizations, carrying out certain types of banking operations.

Article 56. Mandatory guarantee of deposits

1. In the Republic of Kazakhstan, in order to protect the interests of depositors of banks and branches of banks that are non-residents of the Republic of Kazakhstan, a system of mandatory deposit guarantees shall operate, the legal basis, as well as the rights and obligations of the participants of which are determined by the Law of the Republic of Kazakhstan "On mandatory guarantees of deposits placed in second-tier banks of the Republic of Kazakhstan".

Participation in the mandatory deposit guarantee system shall be mandatory for all banks and branches of banks that are non-residents of the Republic of Kazakhstan and have a banking license to accept deposits, open and maintain bank accounts of individuals, with the exception of Islamic banks and branches of Islamic banks that are non-residents of the Republic of Kazakhstan.

Mandatory deposit guarantee shall be carried out by a specially created non-profit organization in the legal form of a joint-stock company, the sole shareholder of which is the National Bank of the Republic of Kazakhstan.

2. Islamic bank deposits and money in bank accounts attracted within the framework of Islamic banking operations shall not be guaranteed by the mandatory deposit insurance system.

Banks, branches of banks that are non-residents of the Republic of Kazakhstan, carrying out Islamic banking operations shall have the right to establish a non-profit organization in the legal form of a joint-stock company that guarantees the return of Islamic bank deposits and money in bank accounts attracted within the framework of Islamic banking operations.

Chapter 10. PROTECTION OF THE RIGHTS OF BANKING SERVICES CONSUMERS

Article 57. Responsible crediting

1. The bank shall provide a bank loan in accordance with the requirements of the legislation of the Republic of Kazakhstan and the bank's credit policy approved by the bank's board of directors.

2. When interacting with a client in the context of providing a bank loan, the bank shall be obliged to comply with the following requirements:

1) provide the borrower with reliable and comprehensive information on the terms of the bank loan, including the amount of the annual effective interest rate, and the risks associated with the borrower receiving a bank loan, including the consequences of the borrower's failure to fulfill its obligations under the bank loan agreement;

2) conduct an assessment of the borrower's creditworthiness (solvency) based on information about his financial position in cases established by the regulatory legal act of the authorized body specified in part two of paragraph 1 of Article 48 of this Law;

3) provide information to the credit bureau in accordance with the Law of the Republic of Kazakhstan "On credit bureaus and the formation of credit histories in the Republic of Kazakhstan";

4) not to provide loans to persons registered in offshore zones, the list of which is established by authorized bodies;

5) accrue remuneration only for the actual number of calendar days the borrower uses the loan in the event of partial early repayment or full early repayment of the loan.

3. If the terms of the loan provide for requirements to conclude insurance contracts and (or) conduct an appraisal in order to determine the market value of the property that serves as collateral, the bank shall not have the right to limit the borrower (pledgor) in the choice of an insurance organization and (or) appraiser.

The bank shall be obliged, within three working days from the date of full early fulfillment by the borrower of the obligation under the bank loan, the terms of which provided for the conclusion of an insurance agreement, to notify the borrower in the manner provided for in the bank loan agreement of his right to terminate such insurance agreement and return a portion of the insurance premium for the unused period of insurance in the manner provided for in part four of paragraph 2 of Article 842 of the Civil Code of the Republic of Kazakhstan.

4. The bank shall not have the right to change the terms of the bank loan agreement unilaterally, except in cases of their improvement for the borrower or other cases provided for by this Law.

For the purposes of this paragraph, an improvement in the terms of a bank loan agreement for the borrower means any of the following changes:

1) a change towards a reduction or complete cancellation of commissions and other payments for the provision of services related to loan servicing;

2) a reduction or complete cancellation of penalties (fines, late fee);

3) a change towards a decrease in the interest rate on the loan;

4) a deferment, including for a period that includes the period of compulsory military service and sixty calendar days after its completion, and (or) an instalment plan for loan payments;

5) a change towards a decrease in the monetary obligation under a mortgage loan issued in foreign currency, when replacing the foreign currency of the loan with the national currency of the Republic of Kazakhstan.

The bank loan agreement may provide for an additional list of improving conditions for the borrower.

5. In the event that the bank applies improving conditions, the borrower shall be notified of the change in the terms of the bank loan agreement in the manner determined by the bank loan agreement, as well as through information technology facilities, with the exception of the case provided for in subparagraph 5) of part two of paragraph 4 of this Article, within the framework of the implementation of the Program for refinancing mortgage housing loans (mortgage loans), approved by the National Bank of the Republic of Kazakhstan.

In the event that the bank applies the improving condition stipulated by subparagraph 5) of part two of paragraph 4 of this Article, as part of the implementation of the mortgage housing loan refinancing Program (mortgage loans) approved by the National Bank of the Republic of Kazakhstan, an announcement regarding the application of such improving condition shall be published in two periodicals distributed throughout the territory of the Republic of Kazakhstan, in the Kazakh and Russian languages. The absence of a written objection from the borrower and (or) the mortgagor within thirty calendar days from the date of publication of the specified announcement shall be considered as the consent of the borrower and (or) the mortgagor to the application of the specified improving condition.

6. The borrower shall have the right, within fourteen calendar days from the date of receipt of the relevant notification from the bank, to refuse the improved conditions offered by the bank and to inform the bank of his decision in the manner determined by the bank loan agreement and (or) through information technology facilities.

The provision by the bank of a deferment and (or) installment plan for payments under a bank loan agreement shall be carried out only with the consent of the borrower.

7. The bank shall be prohibited from providing mortgage loans for the acquisition of an apartment and (or) non-residential premises or an individual residential building, or their share in the sphere of shared participation in housing construction in a multi-apartment residential building or a complex of individual residential buildings under construction by attracting money from an individual, legal entity and (or) a person carrying out activities in accordance with a joint activity agreement (simple partnership, consortium), without permission to attract money from shareholders or an agreement on the provision of a guarantee of shared participation in housing construction, as stipulated by the Law of the Republic of Kazakhstan "On Shared Participation in Housing Construction".

8. The requirements established by paragraph 1, subparagraph 4) of paragraph 2, part one of paragraph 3 of this Article, paragraphs 22 and 24 of Article 58 of this Law shall apply to bank operations to issue bank guarantees and bank sureties, as well as to Islamic banking operations provided for in subparagraphs 3), 4), 5) and 6) of part one of paragraph 4 of Article 22 of this Law.

9. The bank shall be liable for the illegal actions (inaction) of a person providing services to the bank on the basis of a contract (agreement) for attracting clients, conducting checks for compliance with the bank's requirements, transferring clients' documents to the bank (hereinafter - the person providing services to the bank) under the terms of the relevant contract (agreement) of the bank with the specified person.

The contract (agreement) between the bank and the entity providing services to the bank must be presented to the client for review. This contract must contain a clause stipulating the bank's liability to the client for any unlawful actions by the entity providing services to the bank, as specified in part one of this clause.

The procedure for the activities of a person providing services to a bank on the basis of a concluded agreement (contract) between the bank and the person providing services to the bank shall be established by the rules for providing services to the bank on attracting clients, checking for compliance with the bank's requirements, and transferring clients' documents to the bank, approved by the regulatory legal act of the authorized body.

10. The requirements established by this Article shall apply to branches of banks that are non-residents of the Republic of Kazakhstan and organizations, carrying out certain types of banking operations.

For the purposes of applying the requirements of this Article to a branch of a bank that is a non-resident of the Republic of Kazakhstan, the board of directors means the relevant governing body of the bank that is a non-resident of the Republic of Kazakhstan.

Article 58. Specific features of a bank loan to an individual

1. An individual shall have the right to establish or cancel, free of charge, at a credit bureau or on the e-government web portal, or using the bank's information technology facilities integrated with services hosted on the e-government gateway, an individual's voluntary refusal to receive a bank loan.

A bank shall be prohibited from providing a loan to an individual if there is information about the individual’s voluntary refusal to receive a bank loan in his credit report received by the bank before the decision to provide the loan was made.

2. A bank shall be prohibited from providing an individual with a consumer bank loan that is not secured by a pledge of property subject to registration, in excess of the amount established by the regulatory legal act of the authorized body specified in part one of paragraph 4 of Article 52 of this Law, without the consent of his spouse.

The procedure for obtaining the consent of a spouse to receive a consumer bank loan not secured by a pledge of property subject to registration, and the minimum loan amount for which the consent of the spouse is required, shall be determined by the regulatory legal act of the authorized body specified in part one of paragraph 4 of Article 52 of this Law.

3. A bank shall be prohibited from concluding a consumer bank loan agreement not secured by collateral with an individual whose credit report does not contain information on previously received bank loans and (or) microloans, without conducting biometric authentication of such individual in his or her personal presence at the bank on the basis of written consent given by such individual to the bank.

The minimum amount of a bank loan under a consumer bank loan agreement, the conclusion of which, in accordance with part one of this paragraph, requires the personal presence of an individual, shall be determined by a regulatory legal act of the authorized body specified in part one of paragraph 4 of Article 52 of this Law.

The requirement provided for in part one of this paragraph shall not apply to cases of transfer of the amount of a consumer bank loan to the bank account of the seller (supplier) of goods, works and services for the purpose of purchasing goods, works and services, the receipt of which is confirmed by the borrower (buyer).

In the cases and in the manner stipulated by the regulatory legal act of the authorized body specified in part one of paragraph 4 of Article 52 of this Law, the bank shall enter into a consumer bank loan agreement not secured by a pledge of property with an individual only after receiving the consent of the individual to enter into such an agreement.

In the event of concluding a consumer bank loan agreement not secured by collateral via the Internet, consent to conclude the specified agreement shall be formalized at a credit bureau or on the e-government web portal, or through the bank's information technology facilities integrated with services hosted on the e-government gateway.

5. The bank shall transfer funds to the borrower under a consumer bank loan not secured by a pledge of property, on the basis of a bank loan agreement concluded via the Internet, the amount of which exceeds the minimum amount determined by the regulatory legal act of the authorized body specified in part one of paragraph 4 of Article 52 of this Law, in compliance with the following requirements:

1) no earlier than twenty-four hours from the moment of signing the bank loan agreement (approval of the application for a bank loan or an increase in the amount of the bank loan);

2) if there is consent (confirmation) from the borrower to receive a consumer bank loan, issued in accordance with the requirements of the regulatory legal act of the authorized body specified in part one of paragraph 4 of Article 52 of this Law, and received by the bank no earlier than the period specified in subparagraph 1) of part one of this paragraph.

In the event that several consumer loans not secured by collateral are provided to a borrower via the Internet within one calendar day in the same bank, the sum of which, as a result of addition, exceeds the minimum amount determined by the regulatory legal act of the authorized body specified in part one of paragraph 4 of Article 52 of this Law, the bank, with respect to the loans that exceed the said minimum amount, shall comply with the requirement established by subparagraph 1) of part one of this paragraph, and shall also check the said loans for signs of fraud in accordance with the risk management and internal control procedures.

6. The requirements provided for in part two of paragraph 1, paragraph 4 and part one of paragraph 5 of this Article shall not apply to cases:

1) of transfer by the bank of the amount of the consumer bank loan to the bank account of the seller (supplier) of goods, works and services for the purpose of purchasing goods, works and services, the receipt of which is confirmed by the borrower (buyer);

2) of the issuance by a bank of a loan to an individual for the purpose of paying off his debt on another loan in that bank;

3) within the established credit limit on the payment card in an amount not exceeding 150 times the monthly calculation indicator established for the relevant financial year by the law on the republican budget;

4) of the issuance by a bank of a loan to an individual for the purpose of paying off the borrower's debt for taxes, fines, and enforcement proceedings when the payment is made exclusively for the specified purposes.

7. In the event that a bank issues a loan to an individual without complying with the requirements established by part one of paragraph 2 of this Article, the bank shall:

1) not be entitled to demand from the specified individual the fulfillment of obligations under such a loan;

2) take the following measures no later than three working days from the date of detection of the fact of issuance of the specified loan:

makes a decision on the complete write-off (forgiveness) of the borrower's debt on such a loan;

ceases debt collection and claims proceedings on such a loan;

makes adjustments to the borrower's credit history in credit bureaus by removing records of information on such a loan;

returns to the borrower previously withheld (paid) amounts of remuneration and (or) penalties for such a loan.

The measures provided for in part one of this paragraph shall apply to cases of issuance of a bank loan without compliance with any of the requirements provided for in part two of paragraph 1, part one of paragraph 3, paragraphs 4, 5 and 9 of this Article, provided that the bank receives procedural documents from the criminal prosecution authorities specified in paragraph 12 of this Article.

8. The bank shall not have the right to issue a consumer bank loan in excess of the amount , the size of which is determined by the regulatory legal act of the authorized body specified in part one of paragraph 4 of Article 52 of this Law.

9. The bank shall be prohibited from concluding a bank loan agreement with an individual via the Internet without conducting biometric authentication of the individual, the procedure

for which is determined by the authorized body in agreement with the National Bank of the Republic of Kazakhstan.

If the amount of a bank loan exceeds the amount established by the regulatory legal act of the authorized body, biometric authentication of the borrower shall be carried out through the IDEC.

10. At the request of an individual borrower, the bank shall, no later than 10 business days , provide the borrower with information on the process of his/her biometric authentication, including the date and method of its implementation, the verification of data conducted to determine the presence of information about him/her in the database of the bank's anti-fraud centre and the National Bank of the Republic of Kazakhstan, as well as the value of the debt burden ratio used in reviewing the application and concluding the consumer bank loan agreement.

11. From the moment of detection of unauthorized access to information constituting a banking secret, its unauthorized modification, the commission of unauthorized actions by third parties or other illegal (fraudulent) actions with a bank loan of an individual, the bank shall:

inform the client and the authorized body about this within one working day;

take measures to eliminate illegal actions within two working days;

take measures to eliminate the consequences of such actions within ten working days.

12. On the basis of a submission made (issued) by the criminal prosecution authorities in accordance with the Criminal Procedure Code of the Republic of Kazakhstan regarding the adoption of measures to eliminate circumstances facilitating the commission of a criminal offense, or a resolution recognizing an individual borrower as a victim of a criminal offense related to the fraudulent obtaining of a bank loan, the bank shall, no later than three calendar days from the date of receipt of such submission or resolution, suspend with respect to the specified bank loan:

debt collection and claims and litigation activities;

the accrual of interest and (or) penalties.

13. The bank, no later than ten working days from the date of receipt of a judicial act that has entered into legal force, which establishes the fact that a bank loan was issued to a borrower - an individual recognized as a victim in a criminal case by fraudulent means due to the illegal receipt and use by a third party of the identification means of such an individual, including when issuing a bank loan through the use of remote control of the software for the remote provision of bank services, and (or) the violation by the bank of the procedure for conducting biometric authentication or the requirements established by the regulatory legal act of the authorized body for the detection, recording and analysis of facts of internal, external and (or) other methods of fraud, shall make a decision to write off his debt on the relevant bank loan, as well as measures to return to the borrower - an individual the previously withheld (paid) amounts on such a bank loan.

14. The bank shall not have the right to issue bank loans to an individual for five years from the date of publication of the announcement on completion of the extra-judicial bankruptcy procedure or judicial bankruptcy procedure in relation to the specified individual, or to issue bank loans to an individual during the period of implementation of the solvency restoration plan in the manner prescribed by the Law of the Republic of Kazakhstan "On the restoration of solvency and bankruptcy of citizens of the Republic of Kazakhstan", or to accept from such an individual security in the form of a pledge, guarantee and (or) surety under a bank loan agreement.

15. In a bank loan agreement with an individual, the bank shall indicate the method of loan repayment at the borrower's discretion from those proposed by the bank on the date of conclusion of the bank loan agreement in accordance with the requirements of the regulatory legal act of the authorized body specified in part one of paragraph 4 of Article 52 of this Law.

16. The bank shall be prohibited from providing a loan not related to entrepreneurial activity to an individual who has an overdue debt on a bank loan and (or) microcredit for more than thirty calendar days.

This prohibition shall not apply to cases of issuing a bank loan for the purpose of repaying a bank loan and (or) a microcredit of an individual not related to entrepreneurial activity, on improving terms that provide for a downward change in the interest rate and (or) the amount of periodic payments and (or) a downward change or complete cancellation of penalties (fines , late fees).

17. The bank shall make a decision on an individual’s application for a consumer bank loan agreement not secured by collateral within one hour of its receipt.

The bank shall be prohibited from making a positive decision on an individual's application for a consumer bank loan agreement not secured by collateral, or from concluding such an agreement if the credit report contains information about an application submitted by this individual to another bank or organization engaged in microfinance activities for a bank loan or microcredit not secured by collateral, for which there is no status regarding the decision made.

The bank shall be prohibited from concluding a consumer bank loan agreement not secured by collateral if the bank fails to provide the credit bureau with information about the individual's application to conclude such an agreement and the decision made thereon.

The requirements established by parts two and three of this paragraph shall not apply to cases of issuance of a consumer bank loan not secured by collateral, to pay off the debt on a bank loan of a borrower - an individual, received from the same bank.

18. The amount of the penalty (fine, late fee) for violation of the obligation to repay the principal amount of the debt and (or) pay interest under a bank loan agreement with an individual may not exceed:

within ninety days of delay, 0.5 percent of the amount of the overdue payment for each day of delay;

after ninety days of delay, 0.03 percent of the amount of the overdue payment for each day of delay, but not more than ten percent of the amount of the loan issued for each year of the bank loan agreement.

19. Under a bank loan agreement with an individual not related to the implementation of entrepreneurial activity, the bank shall be prohibited from demanding payment of remuneration, penalties (fines, late fees), as well as commissions and other payments related to the issuance and servicing of the loan, accrued after the expiration of ninety consecutive calendar days of delay in fulfilling the obligation to repay any of the payments on the amounts of the principal debt and (or) remuneration.

The requirement of this paragraph shall not apply to the case established by paragraph 3 of Article 60 of this Law.

20. If the amount of payment made by the borrower - an individual - is insufficient to fulfill the obligations under the bank loan agreement, the said amount shall repay the obligations of the borrower - an individual under the bank loan agreement in the following order:

1) principal debt;

2) arrears of remuneration;

3) penalty (fine, late fee);

4) the amount of the principal debt for the current payment period;

5) remuneration accrued for the current payment period;

6) debt on commissions and other payments related to the issuance and servicing of the loan;

7) the creditor's costs for obtaining performance.

21. Before concluding a bank loan agreement with an individual not related to entrepreneurial activity, the bank shall be obliged to offer loan terms based on the criteria for the suitability of the financial product established by the regulatory legal act of the authorized body.

22. The bank shall be prohibited from establishing in a bank loan agreement concluded with an individual conditions that provide for indexation of obligations and payments on a bank loan issued in the national currency of the Republic of Kazakhstan, with reference to any foreign currency or other equivalent.

23. When changing the terms of a bank loan agreement with an individual and (or) issuing a new loan for the purpose of repaying a loan from an individual, the bank must not allow the accrual of interest on overdue interest capitalized (summed up) to the amount of the principal debt, penalties (fines, late fees), commissions and other payments related to the issuance and servicing of the loan.

24. The provision of a bank loan to an individual may not be conditioned by the borrower’s (pledgor’s) obligation to insure his/her life or health.

25. The requirements established by this Article shall apply to branches of banks that are non-residents of the Republic of Kazakhstan and organizations, carrying out certain types of banking operations.

Article 59. Specific features of a bank loan for a military service member in an urgent military service

1. The bank shall be prohibited from granting bank loans to conscripted military servicemen during their period of compulsory military service in the Armed Forces of the Republic of Kazakhstan, other troops, and military formations, where information regarding the conscription of such serviceman for compulsory military service is contained in his credit report obtained by the bank prior to making the decision to grant the bank loan.

If a bank grants a bank loan to a conscripted military serviceman despite the presence of information regarding his conscription for compulsory military service in his credit report obtained by the bank prior to the decision to grant the bank loan, the bank shall not be entitled to demand performance of obligations under such bank loan and shall, no later than three working days from the date of discovering the fact of issuance of such bank loan, take the measures provided for in paragraph 7 of Article 58 of this Law.

2. Under a bank loan agreement, the bank shall be obligated to provide the conscripted military service member with a deferment of payment on the principal debt and remuneration for a period that includes the period of conscript military service and sixty calendar days after its completion, without charging interest on the loan in the manner determined by the regulatory legal act of the authorized body specified in part three of paragraph 2 of Article 61 of this Law.

3. The exchange of information regarding servicemen conscripted for compulsory military service, as well as their discharge, the existence or absence of a bank loan, and the granting of payment deferrals thereunder, shall be carried out through interaction between the information systems of state authorities and credit bureaus in accordance with the procedure determined by the authorized body in coordination with the Ministry of Defence of the Republic of Kazakhstan.

In the cases provided for by part one of this paragraph, the collection, processing, and use of personal data shall be carried out in accordance with the legislation of the Republic of Kazakhstan.

4. The requirements established by this Article shall apply to branches of non-resident banks of the Republic of Kazakhstan and organizations carrying out certain types of banking operations.

Article 60. Specific features of a mortgage loan for an individual

1. Before concluding a mortgage loan agreement with an individual not related to the implementation of entrepreneurial activity, the bank, in accordance with subparagraph 2) of

paragraph 2 of Article 57 of this Law, shall be obliged to conduct an assessment of the creditworthiness (solvency) of the borrower in accordance with the internal documents of the bank, aimed at determining:

1) the borrower's ability to fulfill obligations under the mortgage loan agreement, confirmed by one of the following documents at the bank's discretion:

an extract from the unified accumulative pension fund from the individual pension account for the last six months;

a certificate of income from the place of work for the last six months;

other documents reflecting the possibility of the borrower fulfilling obligations under a mortgage loan agreement with an individual not related to the implementation of entrepreneurial activity, in accordance with the internal documents and procedures of the bank;

2) the presence or absence of the borrower's credit history over the past six months;

3) the presence or absence of arrears in taxes and other mandatory payments to the budget ;

4) the presence or absence of debt to third parties reflected in the credit report.

The assessment of the borrower's creditworthiness (solvency) must also take into account information on the individual acting under the mortgage loan agreement of an individual not involved in entrepreneurial activity, as a co-borrower (a person jointly and severally liable for the fulfillment of obligations to repay the mortgage loan).

The bank shall not be liable for the provision by the borrower (co-borrower) of false information for the bank to carry out an assessment of the borrower's creditworthiness (solvency) as provided for in this clause.

2. The bank shall be prohibited from providing a mortgage loan in foreign currency to an individual if the specified individual has not received income in the relevant foreign currency for six consecutive months preceding the day the individual applies to the bank.

3. The bank shall be prohibited from demanding payment of remuneration, penalties (fines, late fees), as well as commissions and other payments related to the issuance and (or) servicing of a mortgage loan of an individual, accrued after the expiration of one hundred eighty consecutive calendar days of delay in the fulfillment of obligations to repay any of the payments on the amounts of the principal debt and (or) remuneration for the specified loan.

4. In cases where a dwelling securing the performance of obligations under a mortgage loan of an individual passes into the ownership of the bank, and the borrower (mortgagor), belonging to socially vulnerable groups of the population in accordance with the Law of the Republic of Kazakhstan "On Housing Relations," does not own any other dwelling, such borrower (mortgagor) shall be entitled, within thirty calendar days from the date the dwelling passes into the ownership of the bank, to apply to the bank with a request to transfer such dwelling to the borrower (mortgagor) under a lease (property rental) agreement, including a lease agreement with an option to buy.

5. The bank, within fifteen calendar days from the date of receipt of the application provided for in paragraph 4 of this Article, shall review it and inform the borrower (pledgor) of one of the following decisions:

1) on consent to conclude a property lease (rental) agreement for housing with or without the condition of its purchase;

2) on refusal to conclude a contract for the rental (lease) of housing in the presence of one of the following grounds:

provision by the applicant of false data (information) regarding membership in a category of socially vulnerable groups of the population;

the applicant's inability to pay rent due to lack of sources of income;

bankruptcy of the applicant;

the applicant's ownership of residential property.

6. In the event of conclusion between the bank and the borrower (mortgagor) of a property lease (rental) agreement with the condition of redemption of the dwelling, the right of ownership of the dwelling shall be re-registered to the borrower (mortgagor) after the borrower (mortgagor) makes the last payment on the rent or makes full early repayment of the cost of the dwelling, as specified in the property lease (rental) agreement.

7. The residential lease (rental) agreement shall be terminated early at the request of the bank in the event of a delay in the performance by the borrower (mortgagor) of obligations under the residential lease (rental) agreement for a period of more than ninety consecutive calendar days.

In this case, the bank shall be prohibited from demanding payment of penalties (fines, late fees) on overdue payments under the residential property lease (rental) agreement.

8. The rights and obligations of the bank and the borrower - an individual, established by this Law in relation to a mortgage loan agreement not related to the implementation of entrepreneurial activity, shall also apply to bank loan agreements with an individual not related to the implementation of entrepreneurial activity, secured by a pledge of rights (claims) under an agreement on shared participation in housing construction.

9. The requirements established by this Article shall apply to branches of banks that are non-residents of the Republic of Kazakhstan and organizations, carrying out certain types of banking operations.

Article 61. Terms and procedures for debt settlement and measures applied to an insolvent borrower – an individual

1. The bank shall be obliged to notify the borrower - an individual in writing in the manner stipulated by the bank loan agreement, as well as through information technology facilities, about the occurrence of a delay in the fulfillment of monetary obligations under the bank loan agreement, no later than ten calendar days from the date of the occurrence of the delay.

The specified notification shall contain:

1) the amount of overdue payments under the bank loan agreement on the date specified in the notice;

2) a requirement to make overdue payments under a bank loan agreement;

3) explanation of the consequences of the borrower's failure to fulfill obligations under the bank loan agreement;

4) an indication of the borrower's right to apply to the bank with a proposal to amend the bank loan agreement in the manner specified in paragraph 2 of this article;

5) other information at the discretion of the bank.

The bank shall have the right to engage a collection agency to send the specified notification to the borrower.

2. Within thirty calendar days from the date of sending by the bank to the borrower the notification provided for in paragraph 1 of this article, the borrower shall have the right to contact the bank in writing and/or through information technology facilities, and/or in another manner stipulated by the bank loan agreement, with any proposal regarding:

1) changes towards a decrease in the interest rate under a bank loan agreement;

2) a reduction in the monthly payment under the bank loan agreement by at least fifty percent of the amount established by the bank loan agreement;

3) change in the currency of the remaining principal amount of a loan issued in foreign currency to the national currency of the Republic of Kazakhstan;

4) deferral of payments on the principal debt and/or interest;

5) changes in the method of debt repayment and/or the order of debt repayment, including repayment of the principal debt in priority order;

6) changes in the loan term;

7) forgiveness of overdue principal debt and/or remuneration, cancellation of penalties (fines, penalties), commissions and other payments related to servicing a bank loan;

8) independent sale by the mortgagor of the real estate that is the subject of the mortgage, in the manner established by Article 20-1 of the Law of the Republic of Kazakhstan "On Mortgage of Real Estate";

9) provision of compensation in exchange for the fulfillment of obligations under a bank loan agreement by transferring collateral and/or other property to the bank;

10) the sale of real estate that is the subject of a mortgage, with the transfer of the obligation under the bank loan agreement to the buyer.

The specified request from the borrower shall contain information about the reasons for the delay in fulfilling obligations under the bank loan agreement, the borrower's current income and other circumstances that determine (justify) the borrower's request to amend the terms of the bank loan agreement.

The procedure for reviewing changes to the terms of a bank loan agreement and a microcredit agreement, the list of documents attached to the application of an individual borrower for changes to the terms of a bank loan agreement and a microcredit agreement, as well as the procedure for informing the authorized body by the bank and the organization carrying out microfinance activities of the results of reviewing applications from individual borrowers for changes to the terms of a bank loan agreement and a microcredit agreement shall be determined by a regulatory legal act of the authorized body.

3. The bank shall be obliged, within fifteen calendar days from the date of receipt of the borrower's request, as provided for in paragraph 2 of this article, to consider the possibility of amending the terms of the bank loan agreement proposed by the borrower, and to notify the borrower in writing in the manner stipulated by the bank loan agreement, as well as through information technology facilities, of one of the following decisions taken by the bank on (about):

1) agreement to make changes to the terms of the bank loan agreement proposed by the borrower;

2) a counteroffer from the bank to the borrower to amend the bank loan agreement;

3) refusal to make changes to the terms of the bank loan agreement proposed by the borrower, with a reasoned justification for the reasons for such refusal.

The bank's decision on the borrower's request, as provided for in paragraph 2 of this article, shall be made by the bank in accordance with the bank's internal procedure for making credit decisions on the restructuring of loans to individuals, taking into account the requirements established by paragraphs 4 and 5 of this article.

The requirements for the internal procedures of a bank for making credit decisions on the restructuring of loans to individuals shall be determined by the procedure for reviewing changes to the terms of a bank loan agreement and a microcredit agreement, the list of documents attached to the application of an individual borrower for changes to the terms of a bank loan agreement and a microcredit agreement, as well as the procedure for informing the authorized body by the bank and the organization carrying out microfinance activities about the results of reviewing applications from individual borrowers for changes to the terms of a bank loan agreement and a microcredit agreement, approved by the regulatory legal act of the authorized body.

4. The bank shall be obliged to amend the terms of the bank loan agreement specified in subparagraph 2) and/or subparagraph 4) of paragraph 2 of this article for a period of no less than three months in the cases provided for in paragraph 5 of this article, if an application with a proposal to make the specified amendments is sent to the bank by any of the following borrowers:

1) related to socially vulnerable groups of the population in accordance with the Law of the Republic of Kazakhstan "On Housing Relations";

2) those affected by the circumstances that served as the basis for the introduction of a state of emergency.

In connection with the introduction of the specified changes to the terms of the bank loan agreement, the bank shall not have the right to demand from the borrower the payment of commissions and/or other payments.

5. The bank may make changes to the terms of the bank loan agreement specified in paragraph 4 of this article if any of the following conditions are met:

1) a decrease in the average monthly income of the borrower, calculated for the two months preceding the month of the borrower's application, by more than thirty percent compared to the average monthly income of the specified borrower, calculated for the twelve months preceding the month of the borrower's application;

2) the borrower receiving state-targeted social assistance at the time of his application to the bank.

6. During the period of consideration of the borrower's application, as provided for in paragraph 2 of this article, the bank shall not have the right to demand early repayment of the loan.

Failure to reach a mutually acceptable solution between the bank and the borrower within thirty calendar days from the date the borrower receives the bank's decision, as specified in subparagraph 2) of Part One of Clause 3 of this Article, shall be deemed a refusal to amend the terms of the bank loan agreement. This period may be extended with the consent of both parties.

7. The borrower shall have the right to apply to the financial ombudsman for pre-trial settlement of a loan debt not related to business activities, while simultaneously notifying the bank of this within three months from the date of:

obtaining the bank's decision provided for in subparagraph 3) of part one of paragraph 3 of this article;

failure to reach a mutually acceptable decision on changing the terms of the bank loan agreement within the time period specified in the second part of paragraph 6 of this article.

8. Judicial or extrajudicial foreclosure on mortgaged property shall be prohibited during the period of consideration by the financial ombudsman of an application from a borrower belonging to socially vulnerable groups of the population in accordance with the Law of the Republic of Kazakhstan "On Housing Relations" for a mortgage loan, including a mortgage housing loan not related to the implementation of entrepreneurial activity.

9. In the presence of overdue debt on consumer bank loans and/or consumer microloans not secured by collateral, to two or more creditors that are banks, microfinance organizations or collection agencies, the borrower shall have the right to apply for collective debt settlement through the collective settlement platform operating under the financial ombudsman service.

The criteria for debt subject to collective settlement, as well as the procedure and conditions for conducting collective debt settlement, shall be established by a regulatory legal act of the authorized body, as provided for in part three of paragraph 2 of this article.

10. If the borrower fails to satisfy the bank's demand for making overdue payments under the bank loan agreement, specified in the notice provided for in paragraph 1 of this article, regardless of the borrower's exercise of his rights established by paragraphs 2 and 7 of this article, the bank shall have the right to recover in an uncontested manner the funds available in the borrower's bank accounts, including by presenting a payment demand (if the borrower consents to the withdrawal of funds from his bank account contained in the bank loan agreement), except for:

1) money (electronic money) received by the borrower in the form of benefits and social payments paid from the state budget and/or the State Social Insurance Fund, financial assistance provided in accordance with subparagraph 1) of paragraph 4 of Article 112 of the Social Code of the Republic of Kazakhstan, located in bank accounts opened at the request of the borrower, in the manner determined by the regulatory legal act of the National Bank of the Republic of Kazakhstan;

2) money in bank accounts intended for the transfer of compensation for material damage and the provision of necessary assistance from the state budget and/or from charitable organizations to individuals affected by a natural or man-made emergency;

3) alimony (money intended for the maintenance of minors and disabled adult children) located in bank accounts opened in the manner determined by the regulatory legal act of the National Bank of the Republic of Kazakhstan, as well as housing payments provided for by the Law of the Republic of Kazakhstan "On Housing Relations";

4) money held in a bank account in a housing construction savings bank with the status of a national development institution, intended for the transfer of payments and subsidies for the purpose of paying for rented housing in the private housing stock;

5) targeted savings and/or payments of targeted savings from a single accumulative pension fund for the purpose of improving housing conditions and/or paying for education;

6) payments of savings from an educational savings deposit or insurance payments under an educational savings insurance contract for improving housing conditions;

7) one-time pension payments from a unified accumulative pension fund for the purpose of improving housing conditions and/or paying for treatment, as provided for by the legislation of the Republic of Kazakhstan on social protection;

8) money located in a bank account in a housing construction savings bank in the form of housing construction savings accumulated through the use of housing payments, one-time pension payments from a unified accumulative pension fund for the purpose of improving housing conditions and/or paying for treatment, in the form of payments of targeted savings from a unified accumulative pension fund for the purpose of improving housing conditions and/or paying for education, money located in bank accounts in housing construction savings banks in the form of housing construction savings that are the subject of collateral for issued

bank loans, in the form of payments of savings from an educational savings deposit or insurance payments under an educational savings insurance contract for improving housing conditions;

9) money held in bank accounts in the form of savings for capital repairs of the common property of a condominium facility, except for recoveries based on court decisions in cases of failure to fulfill obligations under contracts concluded for the purpose of carrying out capital repairs of the common property of a condominium facility;

10) money deposited under the terms of a notary deposit;

11) money located in bank accounts intended for recording the money of the investment portfolio manager’s clients for the unfulfilled obligations of the given investment portfolio manager;

12) money in bank accounts intended for recording the money of clients of the person performing the functions of a nominee holder, for unfulfilled obligations of such person performing the functions of a nominee holder;

13) money held in bank accounts for the implementation of clearing activities for transactions with financial instruments;

14) money held in bank accounts under an agreement on an educational savings deposit, concluded in accordance with the Law of the Republic of Kazakhstan "On the State Educational Savings System";

15) money located in the current accounts of private bailiffs, intended for storing collected amounts in favor of creditors;

16) money located in the bank accounts of the borrower - a citizen of the Republic of Kazakhstan, in respect of whom a case has been initiated on the application of the procedure for restoring solvency, extrajudicial or judicial bankruptcy in the manner prescribed by the Law of the Republic of Kazakhstan "On Restoring Solvency and Bankruptcy of Citizens of the Republic of Kazakhstan".

It shall be prohibited to collect debt under a bank loan agreement by means of a payment demand from funds in savings bank accounts that are the subject of collateral for a bank loan issued by another bank in the amount of the outstanding principal debt on the bank loan issued by another bank.

Collection of the borrower's debt under a bank loan agreement by presenting a payment demand shall be limited to fifty percent of the amount of money in his bank account and/or of each amount of money subsequently received into the borrower's bank account from a legal entity or individual entrepreneur, and shall be carried out without waiting for the receipt in the bank account of the entire amount necessary for the full execution of the payment demand.

The amount of money held in a current account or in the aggregate of current accounts of an individual or sole proprietor, if the individual is registered as a sole proprietor operating as a private enterprise, opened at the same bank, when a payment request is fulfilled, shall be no less than twice the subsistence minimum established for the relevant financial year by the law on the republican budget. This limitation shall not apply to funds held in the borrower's savings account – an individual or sole proprietor, if the individual is registered as a sole proprietor operating as a private enterprise.

11. If the borrower fails to satisfy the bank's demand for making overdue payments under the bank loan agreement, specified in the notice provided for in paragraph 1 of this article, provided that the borrower has not exercised their rights established by paragraphs 2 and 7 of this article, the bank (in addition to the measures provided for in paragraph 9 of this article) shall have the right to:

1) apply measures to the borrower in accordance with the bank's policy on managing problem assets;

2) transfer the borrower's debt to the trust management of the service company under an agreement on trust management of rights (requirements);

3) transfer the borrower's debt for pre-trial collection and settlement collection agency.

The transfer of debt to a collection agency for pre-trial collection and settlement is permitted if the bank loan agreement provides the bank with the right to engage a collection agency if the borrower defaults on the fulfillment of obligations under the bank loan agreement.

On the day of transferring the debt for pre-trial collection and debt settlement, the Bank shall notify the borrower of this in the manner stipulated by the bank loan agreement, as well as through information technology facilities, indicating the name, location of the collection agency, and the telephone numbers of the collection agency for contacting debtors.

While the debt is being collected and settled by a collection agency, the bank shall not have the right to:

file a lawsuit to recover the debt;

demand payment of remuneration, commissions and other payments related to the issuance and servicing of the loan for the period the debt is in the collection agency's hands, and also charge penalties (fines, late fees) for the specified period for late repayment of the principal debt and remuneration;

4) assign, in compliance with the requirements established by Article 63 of this Law, the rights (requirements) under the bank loan agreement if the borrower is in default on the performance of the monetary obligation:

under a mortgage loan agreement with an individual – over one hundred eighty consecutive calendar days;

under other bank loan agreements with an individual – over ninety consecutive calendar days.

The assignment of rights (requirements) under a bank loan agreement with an individual not engaged in entrepreneurial activity to a collection agency shall be permitted after twenty-four months from the date of occurrence of the overdue debt, following the completion of the debt settlement procedures stipulated in paragraphs 1, 2, 3, 4, 5, 6, and 7 of this article, which ensure mutually acceptable terms for the parties, enabling the borrower to repay the loan. In this regard, the complete cancellation of accrued and unpaid penalties (fines , late fees), commissions, and other payments related to servicing the bank loan is mandatory.

The provisions of this subparagraph shall not apply to cases of application of the procedure for restoration of solvency, extrajudicial or judicial bankruptcy in relation to a borrower who is a citizen of the Republic of Kazakhstan in the manner prescribed by the Law of the Republic of Kazakhstan "On Restoring Solvency and Bankruptcy of Citizens of the Republic of Kazakhstan";

5) apply other measures provided for by the legislation of the Republic of Kazakhstan and /or the bank loan agreement, including filing a claim in court to recover the amount of debt under the bank loan agreement, as well as foreclose on the mortgaged property out of court, except for cases provided for By law Republic of Kazakhstan "On Mortgage of Real Estate", or in court;

6) file a claim in court to declare the borrower – individual entrepreneur – bankrupt in accordance with the legislation of the Republic of Kazakhstan.

12. A bank that has received a petition from a mortgagor whose property secures the obligations of the borrower under a mortgage loan agreement secured by the home of an individual not involved in entrepreneurial activity, for the independent sale of real estate, submitted in the manner prescribed by the Law of the Republic of Kazakhstan "On Mortgage of Real Estate", shall suspend the measures against the borrower and the mortgagor provided for in paragraphs 10 and 11 of this article.

13. The Bank shall be prohibited from receiving from third parties services for pre-trial collection and settlement of debt, as well as the collection of information related to debt, except in cases where such services are provided to the Bank by a collection agency and/or a service company.

14. The provisions of this article shall apply to branches of banks that are non-residents of the Republic of Kazakhstan and organizations that carry out certain types of banking operations.

Article 62. Measures applied to an insolvent borrower – legal entity

1. The bank shall be obliged to notify the borrower - a legal entity, in writing in the manner stipulated by the bank loan agreement, as well as through information technology facilities, about the occurrence of a delay in the fulfillment of monetary obligations under the bank loan agreement, no later than ten calendar days from the date of the occurrence of the delay.

The specified notification shall contain:

1) the amount of overdue payments under the bank loan agreement on the date specified in the notice;

2) a requirement to make overdue payments under a bank loan agreement;

3) explanation of the consequences of the borrower's failure to fulfill obligations under the bank loan agreement;

4) other information at the discretion of the bank.

The bank shall have the right to engage a collection agency to send the specified notification to the borrower.

2. If the borrower fails to satisfy the bank's demand for making overdue payments under the bank loan agreement, as specified in the notice provided for in paragraph 1 of this article, the bank shall have the right to recover, in an uncontested manner, the funds available in the borrower's bank accounts, including by presenting a payment demand (subject to the borrower's consent to the withdrawal of funds from his bank account contained in the bank loan agreement), except for:

1) money held in bank accounts in the form of savings for capital repairs of the common property of a condominium facility, except for recoveries based on court decisions in cases of failure to fulfill obligations under contracts concluded for the purpose of carrying out capital repairs of the common property of a condominium facility;

2) funds located in bank accounts intended for the transfer of compensation for investment costs in accordance with the legislation of the Republic of Kazakhstan in the field of public-private partnership;

3) money deposited under the terms of a notary deposit;

4) money in bank accounts intended for recording the money of the investment portfolio manager's clients for the unfulfilled obligations of the given investment portfolio manager;

5) money in bank accounts intended for recording the money of clients of the person performing the functions of the nominee holder, for the unfulfilled obligations of this person performing the functions of the nominee holder;

6) money held in bank accounts for the implementation of clearing activities for transactions with financial instruments;

7) money located in the current accounts of private bailiffs, intended for storing collected amounts in favor of creditors;

8) money and/or securities of banks in the central depository and/or clearing organization, intended to ensure the completion of settlements on interbank payments and/or money transfers carried out on the territory of the Republic of Kazakhstan using payment cards.

It shall be prohibited to collect debt under a bank loan agreement by means of a payment demand from funds in savings bank accounts that are the subject of collateral for a bank loan issued by another bank in the amount of the outstanding principal debt on the bank loan issued by another bank.

Restrictions regarding the withdrawal of funds located in bank accounts intended for the crediting of compensation for investment costs shall not apply to claims related to the first, second and third priorities in accordance with the order provided for in paragraph 2 of Article 742 of the Civil Code of the Republic of Kazakhstan.

3. In the event of failure by the borrower to satisfy the bank's demand for making overdue payments under the bank loan agreement, specified in the notification provided for in paragraph 1 of this article, the bank (in addition to the measures provided for in paragraph 2 of this article) shall have the right to:

1) apply measures to the borrower in accordance with the bank's policy on managing problem assets;

2) transfer the borrower's debt to the trust management of the service company under an agreement on trust management of rights (requirements);

3) transfer the borrower's debt to a collection agency for pre-trial collection and settlement.

The transfer of debt to a collection agency for pre-trial collection and settlement shall be permitted if the bank loan agreement provides the bank with the right to engage a collection agency if the borrower defaults on the fulfillment of obligations under the bank loan agreement.

On the day of transferring the debt for pre-trial collection and debt settlement, the Bank shall notify the borrower of this in the manner stipulated by the bank loan agreement, as well as through information technology facilities, indicating the name, location of the collection agency, and the telephone numbers of the collection agency for contacting debtors.

While the debt is being collected and settled by a collection agency, the bank shall not have the right to:

file a lawsuit to recover the debt;

demand payment of remuneration, commissions and other payments related to the issuance and servicing of the loan for the period the debt is in the collection agency's hands, and also charge penalties (fines, late fees) for the specified period for late repayment of the principal debt and remuneration;

4) assign, in compliance with the requirements established by Article 63 of this Law, the rights (requirements) under the bank loan agreement;

5) apply other measures provided for by the legislation of the Republic of Kazakhstan and /or the bank loan agreement, including filing a claim in court to recover the amount of debt under the bank loan agreement, as well as foreclose on the mortgaged property out of court, except for cases provided for by the Law of the Republic of Kazakhstan "On Mortgage of Real Estate", or in court;

6) file a claim with the court to declare the borrower – a legal entity – bankrupt in accordance with the legislation of the Republic of Kazakhstan.

4. The Bank shall be prohibited from receiving from third parties services for pre-trial collection and settlement of debt, as well as the collection of information related to debt, except in cases where such services are provided to the Bank by a collection agency and/or a service company.

5. The provisions of this article shall apply to branches of banks that are non-residents of the Republic of Kazakhstan and organizations that carry out certain types of banking operations.

Article 63. Procedure for assignment of rights (requirements) under a bank loan agreement

1. The Bank shall be prohibited from assigning rights (requirements) under a bank loan agreement to a third party, except for the assignment of rights (requirements) to the following persons:

1) to another bank or its subsidiary bank – a non-resident of the Republic of Kazakhstan, located in the state of which the borrower is a resident;

2) microfinance organization;

3) an organization that carries out certain types of banking operations, having a license to carry out a banking operation, as provided for in subparagraph 8) of part one of paragraph 2 of Article 22 of this Law;

4) collection agency;

5) an organization specializing in improving the quality of loan portfolios of second-tier banks;

6) a special financial company created in accordance with the legislation of the Republic of Kazakhstan on project financing and securitization, in a securitization transaction;

7) a person who buys out mortgage loans from individuals not involved in entrepreneurial activity, one hundred percent of whose shares are owned by the National Bank of the Republic of Kazakhstan;

8) to a special fund for the development of private entrepreneurship - under a bank loan agreement concluded as part of a transaction for financing private entrepreneurship entities through the stipulated placement of funds in banks;

9) to another person - in relation to the rights (requirements) under a bank loan agreement with an individual related to the implementation of entrepreneurial activity, a bank loan agreement with a legal entity if there are signs of impairment for the specified loans on the date of assignment in accordance with international financial reporting standards.

2. The person specified in subparagraph 9) of paragraph 1 of this article shall be obliged to transfer the received (acquired) rights (requirements) under the bank loan agreement to the trust management of the servicing company in one of the following cases:

1) the rights (requirements) were received (acquired) under a bank loan agreement with an individual related to the implementation of entrepreneurial activities;

2) the rights (requirements) were received (acquired) under a bank loan agreement with a legal entity, the amount of debt under which does not exceed 16,500 times the monthly calculation indicator established by the law on the republican budget on the date of assignment;

3) if the person to whom the rights (requirements) under the bank loan agreement are assigned is a non-resident of the Republic of Kazakhstan.

In the event of the transfer of rights (requirements) under a bank loan agreement to the trust management of a servicing company, the person specified in subparagraph 9) of paragraph 1 of this article shall exercise the rights of the creditor in relation to the right (claim) assigned to him under the bank loan agreement by implementing:

their rights under the trust agreement for the management of rights (requirements) concluded with the service company;

its right to further transfer rights (requirements) under the bank loan agreement to other persons specified in paragraph 1 of this article.

3. Rights (requirements) under bank loan agreements may be transferred to a service company subject to the simultaneous fulfillment of the following conditions:

1) the size of the authorized capital of a collection agency, the equity capital of a bank that is the parent organization of a subsidiary organization managing distressed assets, shall not be lower than the minimum value established by the regulatory legal act of the authorized body;

2) carrying out activities for three years from the date of:

inclusion of a collection agency in the register of collection agencies;

issuing a permit to the bank to establish a subsidiary organization for managing distressed assets;

3) the absence, on the date of inclusion in the register of service companies, of unimplemented and/or current supervisory response measures or limited enforcement measures applied by the authorized body, and administrative penalties for administrative offenses provided for in Article 211-1 and the first part of Article 227 of the Code of the Republic of Kazakhstan on Administrative Offenses;

4) the head of the service company does not have an outstanding or unexpunged criminal record;

5) compliance of the service company with other requirements established by the authorized body.

Requirements for collection agencies and subsidiaries managing distressed assets, acting as service companies to which rights (requirements) under bank loan agreements may be transferred for trust management, are established by a regulatory legal act of the authorized body.

The authorized body shall maintain and post on its Internet resource a register of service companies that comply with the requirements of the legislation of the Republic of Kazakhstan .

4. The exclusion of a collection agency or a subsidiary organization for managing distressed assets from the register of service companies shall be grounds for termination of the trust agreement concluded with them for the management of rights (requirements).

In the event of termination of the trust management agreement for rights (requirements) with the service company, the person specified in subparagraph 9) of paragraph 1 of this article shall be obliged to conclude a trust management agreement for rights (requirements) with another service company or assign the rights (requirements) to any other person specified in paragraph 1 of this article.

5. A bank shall be prohibited from assigning rights (requirements) under a bank loan agreement with an individual that is not related to the implementation of entrepreneurial activity to a collection agency without complying with the requirements established by part two of subparagraph 4) of paragraph 11 of Article 61 of this Law.

6. The bank shall not have the right to assign rights (requirements) under a bank loan agreement without the consent of the borrower, unless otherwise provided by the laws of the Republic of Kazakhstan or the bank loan agreement.

7. The bank shall not have the right to assign rights (requirements) under a bank loan agreement secured by a pledge of property to the persons specified in paragraph 1 of this article without an assessment of the value of the relevant pledged property carried out by an appraiser within the last six months before the assignment of rights (requirements) in accordance with the Law of the Republic of Kazakhstan "On appraisal activities in the Republic of Kazakhstan".

8. The assignment of rights (requirements) under a bank loan agreement in relation to one borrower to several persons shall be prohibited, except in cases where these rights (requirements) are the subject of a securitization transaction.

9. The assignment of rights (requirements) under a bank loan agreement, for which, on the date of assignment, there are signs of impairment in accordance with international financial reporting standards, shall be carried out by the bank in compliance with all of the following conditions:

1) the person in whose favor the rights (requirements) under the bank loan agreement are assigned shall be determined based on the results of the auction in relation to such rights (requirements) conducted by the bank on the electronic trading platform for the sale of banking and microfinance assets, except for the assignment of rights (requirements):

in favor of the persons specified in subparagraphs 5), 6) and 7) of paragraph 1 of this article;

in favor of the Development Bank of Kazakhstan;

within the framework of the application to such bank of the settlement instruments provided for in Articles 94, 95, 96, 97 and 98 of this Law;

2) the assignment of rights (requirements) under a bank loan agreement shall be carried out in compliance with other requirements and restrictions established by this article.

The requirements of this paragraph shall apply to subsidiaries managing distressed assets.

10. When concluding an agreement on the assignment of rights (requirements) under a bank loan agreement (hereinafter referred to as the Assignment agreement), the bank shall be obliged to:

1) before concluding an assignment agreement, notify the borrower - an individual under a bank loan agreement not related to the implementation of entrepreneurial activity, of the

planned assignment of the rights (requirements) of the creditor under the specified bank loan agreement to a third party, as well as of the processing (transfer) of the borrower's personal data in connection with such assignment in the manner stipulated by the bank loan agreement, as well as through information technology facilities;

2) notify the borrower (or his authorized representative) of the completed transfer of rights (requirements) under the bank loan agreement to a third party in the manner stipulated by the bank loan agreement, as well as through information technology facilities within thirty calendar days from the date of conclusion of the assignment agreement, indicating the need to make further payments under the bank loan agreement to a third party (name, location and bank details of the person to whom the rights (requirements) under the bank loan agreement have been assigned, or in the case of transfer of rights (requirements) under the bank loan agreement into trust management - to the service company), the volume of transferred rights (requirements) under the bank loan agreement, the size and structure of the debt under the bank loan agreement (principal debt, remuneration, commissions, penalties (fines, late fees) and other amounts payable;

3) transfer the following documents to the person to whom the rights (requirements) under the bank loan agreement have been assigned, or to the service company (in the case of transfer of rights (requirements) under the bank loan agreement to the trust management of the service company):

bank loan agreement;

a pledge agreement and title documents for the pledged item (if the fulfillment of obligations under the bank loan agreement is secured by a pledge);

suretyship or guarantee agreement (if the fulfillment of obligations under the bank loan agreement is secured by a surety or guarantee);

calculations of the borrower's debt on the date of assignment of rights (requirements);

claims correspondence with the borrower (if any);

constituent documents of the borrower – a legal entity, a copy of the identity document of the borrower – an individual;

documents confirming the borrower’s repayment of the debt;

documents on the sale of mortgaged property (if any);

other documents in accordance with the assignment agreement.

In the event of the assignment of all rights (requirements) to the borrower, the bank transfers to the person to whom the right (claim) under the bank loan agreement has been assigned all the original documents in its possession, and in the event of the transfer of rights (requirements) under the bank loan agreement to the trust management of a servicing company, the originals of the specified documents are transferred to the relevant servicing company.

For the loss of original title documents for property that serves as security for the fulfillment of obligations under a bank loan agreement, the bank, the person to whom the rights (requirements) under the bank loan agreement have been assigned, and the service company shall bear liability established by the laws of the Republic of Kazakhstan.

In the event of assignment of a portion of the rights (requirements) to the borrower, the bank shall have the right to retain the original documents certifying such rights (requirements) and to transfer to the person to whom the right (claim) under the bank loan agreement has been partially assigned, notarized copies of the specified documents, and in the event of transfer of a portion of the rights (requirements) under the bank loan agreement to the trust management of a servicing company, notarized copies of the specified documents are transferred to the servicing company;

4) after the conclusion of the assignment agreement, transfer the money received to pay off the debt under the bank loan agreement to the bank account of the person to whom the rights (requirements) under the bank loan agreement have been assigned, with the provision of a breakdown of payments for each borrower.

11. The person to whom the rights (requirements) under the bank loan agreement have been assigned shall be recognized as the creditor (lender) in relation to these rights (requirements), has all the rights and obligations established by the bank loan agreement, complies with the requirements and restrictions imposed by the legislation of the Republic of Kazakhstan on the relationship between the creditor and the borrower within the framework of the bank loan agreement, including ensuring:

transfer and updating of information about the borrower and his obligations under the bank loan agreement to credit bureaus in the manner established by the legislation of the Republic of Kazakhstan on credit bureaus and the formation of credit histories;

compliance with the procedure for reviewing an application from a borrower - an individual to amend the terms of a bank loan agreement, the list of documents attached thereto, as well as the procedure for informing the authorized body about the results of reviewing the application, as determined by the regulatory legal act of the authorized body.

In the event of the transfer of rights (requirements) under a bank loan agreement to the trust management of a servicing company, the servicing company has all the rights and obligations established by the bank loan agreement, and also complies with the requirements and restrictions provided for in the first part of this paragraph.

Violation by the person to whom the rights (requirements) under the bank loan agreement have been assigned, as well as by the service company, of the requirements and/or restrictions imposed by the legislation of the Republic of Kazakhstan on the relationship between the creditor and the borrower under the bank loan agreement, entails liability established by the laws of the Republic of Kazakhstan.

A person to whom rights (requirements) under a bank loan agreement have been assigned shall be prohibited from assigning such rights (requirements) without complying with the requirements provided for in this article.

12. The requirements of this article shall not apply to cases:

1) assignment by the bank of rights (requirements) to the National Bank of the Republic of Kazakhstan for the purpose of fulfilling obligations under the loan of last resort and/or to a third party determined by the National Bank of the Republic of Kazakhstan in agreement with the authorized body, for the purpose of fulfilling obligations under the loan of last resort;

2) transfer of rights (requirements) to the Export Credit Agency of Kazakhstan by way of subrogation in connection with the implementation of insurance payments under voluntary insurance contracts in accordance with the legislation of the Republic of Kazakhstan.

13. The provisions of this article shall apply to branches of banks that are non-residents of the Republic of Kazakhstan and organizations that carry out certain types of banking operations.

Article 64. Consideration of applications by the bank

1. The Bank shall consider applications from individuals and legal entities related to the implementation of banking activities in accordance with the requirements for the conditions for the implementation of banking activities established by the regulatory legal act of the authorized body.

2. The period for consideration of applications by the bank shall not exceed fifteen working days from the date of their receipt by the bank.

If it is necessary to establish factual circumstances that are significant for the proper consideration of the application, the period for its consideration may be extended by another fifteen working days, of which the applicant is notified within three working days from the date of the decision to extend the period.

The time limits provided for in this paragraph shall not apply to cases of consideration of an application from a borrower who is an individual in accordance with paragraph 2 of Article 61 of this Law.

3. Based on the results of the review of the application, the bank shall be obliged to send the applicant a response (decision) on the merits of his application.

4. The applicant’s application may be dismissed by the bank in the following cases:

1) the appeal does not indicate the address to which the response should be sent;

2) the application does not indicate the applicant’s last name, first name, patronymic (if indicated in the identity document) and his individual identification number or the full name of the applicant and his business identification number;

3) the appeal contains obscene or offensive language, threats to the bank’s property, threats to the life, health and/or property of a bank employee and/or members of his family;

4) the text of the appeal is illegible;

5) the application was submitted by an unauthorized person.

In the cases provided for in subparagraphs 2), 3), 4) and 5) of part one of this paragraph, the bank, within five working days from the date of receipt of the applicant’s request, sends the applicant a response indicating the reasons for leaving the request without consideration.

5. An applicant who is an individual, after contacting a bank regarding banking services provided to them that are not related to the implementation of entrepreneurial activities, shall have the right to contact the financial ombudsman within the framework of the pre-trial dispute settlement procedure in the following cases:

refusal by the bank to satisfy the applicant's property claim or failure of the applicant to receive a response from the bank within the time period specified in paragraph 2 of this article ;

in accordance with paragraph 7 of Article 61 of this Law.

6. The Bank shall submit to the authorized body reports on requests received from individuals and legal entities, the list, forms, deadlines and procedure for submission of which shall be established by the regulatory legal act of the authorized body.

7. The requirements established by this article shall not apply to the bank's consideration of applications for banking services.

8. The provisions of this article shall apply to branches of banks that are non-residents of the Republic of Kazakhstan and organizations that carry out certain types of banking operations.

Article 65. Financial ombudsman

1. The Financial Ombudsman, within the framework of the pre-trial dispute settlement procedure, shall consider the applicant's appeals in the cases provided for in paragraph 5 of Article 64 of this Law.

2. In response to requests from applicants regarding changes to the terms of performance of obligations under bank loan agreements, the financial ombudsman shall assist the parties in reaching a mutually acceptable solution and adopting an agreed-upon decision on changing the terms of performance of obligations under bank loan agreements.

Based on the results of the review of the application, the financial ombudsman draws up a protocol, which is signed by the financial ombudsman and the parties to the bank loan agreement and contains information on the conditions for changing the performance of the obligation under the bank loan agreement.

3. Based on the results of the review of the applicant's appeal, except for the case provided for in paragraph 2 of this article, the financial ombudsman shall make a decision that is binding on the bank in the event of written consent with such decision by the applicant, or shall decide to terminate the review of the appeal in the cases provided for in paragraph 12 of Article 15-33 of the Law of the Republic of Kazakhstan "On state regulation, control and supervision of the financial market and financial organizations."

In the event that the bank fails to comply with the decision of the financial ombudsman within the prescribed period established by them, the authorized body shall apply supervisory response measures to the bank in accordance with Article 78 of this Law.

In case of disagreement with the decision of the financial ombudsman, the parties to the dispute (appeal) considered by the financial ombudsman have the right, in accordance with the legislation of the Republic of Kazakhstan, to apply to the court within three months from the date of receipt of the decision of the financial ombudsman.

The procedure and timeframes for consideration of applicants' appeals by the financial ombudsman, as well as the consequences of the financial ombudsman's decisions on such appeals, shall be determined by Article 15-33 of the Law of the Republic of Kazakhstan "On state regulation, control and supervision of the financial market and financial organizations" and the regulatory legal act of the authorized body.

4. The provisions of this article shall apply to branches of banks that are non-residents of the Republic of Kazakhstan and organizations that carry out certain types of banking operations.

Article 66. Statute of limitations under a bank loan agreement

The statute of limitations for claims by banks, branches of banks that are non-residents of the Republic of Kazakhstan, subsidiaries managing distressed assets and organizations carrying out certain types of banking operations against borrowers for failure to fulfill and/or improper fulfillment of obligations under a bank loan agreement shall be five years.

Article 67. Advertisements distributed and placed by banks and branches of banks that are non-residents of the Republic of Kazakhstan

1. A bank or branch of a bank that is a non-resident of the Republic of Kazakhstan shall be prohibited from:

1) improper advertising;

2) advertising that does not contain information about the risks inherent in the financial product, as defined by the requirements for the management of financial products established by the authorized body.

Requirements for the management of financial products, a list of financial products (indicating rates and tariffs), the approval, amendment and termination of the provision of which the subject of conduct supervision notifies the authorized body, the procedure for such notification, as well as the list of documents and information attached to the notification, are approved by a regulatory legal act of the authorized body.

2. A bank or branch of a bank that is a non-resident of the Republic of Kazakhstan, when distributing and/or placing advertisements containing information on the amount of interest on a bank loan or deposit, shall be required to indicate the interest rate in a reliable, annual, effective and comparable calculation.

When distributing, including through publication, advertisements containing information about the interest rates on a bank loan or deposit, the annual effective interest rate shall be indicated numerically in a font size and style consistent with other interest rates. The annual effective interest rate may not be indicated in a font smaller than that used for other information in such advertisements.

3. The authorized body shall have the right to demand that a bank or branch of a bank that is a non-resident of the Republic of Kazakhstan amend an advertisement that is inconsistent with reality, terminate it, or publish a refutation.

In the event of failure to comply with the specified requirement within the time period established by the authorized body, the authorized body shall have the right to publish information about the discrepancy between the information contained in the advertisement and the reality, or to clarify it at the expense of the bank or branch of the bank - a non-resident of the Republic of Kazakhstan that published such advertisement.

4. A bank or branch of a bank that is a non-resident of the Republic of Kazakhstan and carries out Islamic banking operations shall be required, when distributing and placing advertisements related to Islamic banking operations, to indicate that the advertised banking services relate to Islamic banking operations.

5. Persons who do not have a license from an authorized body or the National Bank of the Republic of Kazakhstan to carry out banking operations shall be prohibited from advertising services that fall under the definition of banking operations.

6. The requirements established by this article shall apply to organizations carrying out certain types of banking operations.

Article 68. Operation for the simultaneous transfer of assets and liabilities of a bank to another bank (other banks)

1. To protect the rights of depositors and other creditors of the bank, it shall be permitted, with the consent of the authorized body, to carry out an operation to simultaneously transfer the bank’s assets and liabilities in part or in full to another bank (other banks) (hereinafter, for the purposes of this article, referred to as the Acquiring bank).

2. The procedure for carrying out the operation provided for in this article, the types of assets and liabilities subject to transfer during the execution of the specified operation, as well as the procedure for approval of such operation by the authorized body shall be determined by the regulatory legal act of the authorized body.

3. The bank shall publish an announcement regarding the transfer of the bank's assets and/ or liabilities, in part or in full. The announcement shall be published in two periodicals distributed throughout the Republic of Kazakhstan and on the bank's website in the Kazakh and Russian languages after approval by the authorized body of the transaction specified in paragraph 1 of this article.

4. The transfer of the bank’s obligations in the manner prescribed by this article shall be carried out with the consent of the depositors and other creditors of the bank.

The absence of a written objection from depositors and/or other creditors of the bank within ten calendar days from the date of publication of the announcement during the transaction for the simultaneous transfer of assets and liabilities by the bank to the acquiring bank shall be considered as the consent of the depositor and/or other creditor to the transfer of liabilities.

5. After the transfer of the bank's obligations to depositors and/or other creditors to the acquiring bank, the fulfillment of obligations to such depositors and/or other creditors, including the maintenance of the transferred current and savings accounts of depositors, shall be carried out by the acquiring bank.

6. The bank shall have the right to transfer to the acquiring bank the obligations to depositors with their bank accounts held with the bank (while preserving individual identification codes) without concluding additional agreements to the banking service agreements, the history of money movements on them, the files generated during the opening and maintenance of bank accounts, unfulfilled requirements, including orders of authorized government bodies with the right to suspend expenditure transactions on a bank account, as well as decisions (resolutions) of authorized bodies or officials with the right to seize the client's money, and encumbrances on the bank accounts of depositors existing with the bank at the time of the transfer of obligations.

7. During the transition period established by the regulatory legal act of the authorized body, to ensure the preservation of the details of the depositors' bank accounts (including the individual identification codes assigned by the bank), the acquiring bank shall have the right to execute instructions on the depositors' bank accounts transferred to the acquiring bank, with the individual identification codes of the depositors assigned by the bank indicated therein, as well as the corresponding bank details used in making payments and money transfers. The specifics of executing such instructions using the bank's correspondent account shall be determined by agreement between the bank and the acquiring bank.

8. During the transition period, the acquiring bank shall assign individual identification codes to the bank accounts of depositors in compliance with the requirements of the legislation of the Republic of Kazakhstan and shall notify, in the manner prescribed by subparagraph 1) of paragraph 2 of Article 55 of the Tax Code of the Republic of Kazakhstan, the authorized state body exercising management in the area of ensuring the receipt of taxes and other mandatory payments to the budget, of a change in the individual identification codes for the bank accounts of taxpayers provided for in subparagraph 1) of paragraph 2 of Article 55 of the Tax Code of the Republic of Kazakhstan.

Following a change in the individual identification codes of the bank accounts of depositors to which there are outstanding claims, including orders accepted for execution by authorized government agencies with the right to suspend debit transactions on a bank account, as well as decisions (resolutions) of authorized agencies or officials with the right to seize the client's funds, encumbrances on the bank accounts of depositors:

the acquiring bank shall notify the person (body) that has sent (sent) demands on the depositor's bank account (including orders of authorized state bodies that have the right to suspend debit transactions on the bank account, as well as decisions (resolutions) of authorized bodies or officials that have the right to seize the client's money) or that has imposed (has imposed) encumbrances on the depositors' bank accounts, about a change in the details of the depositor's bank account, including the individual identification code;

previously presented unfulfilled claims against the depositor's bank account transferred to the acquiring bank shall be executed by the acquiring bank from the depositors' bank accounts opened by the acquiring bank, with the correction of the bank's details (name, bank identification code, business identification number) to the corresponding details of the acquiring bank, as well as the individual identification code of the depositor to the corresponding individual identification code of the depositor assigned to the bank account in accordance with the first part of this paragraph;

previously presented to the bank account of the depositor transferred to the acquiring bank , unfulfilled orders of authorized state bodies with the right to suspend debit transactions on the bank account, as well as decisions (resolutions) of authorized bodies or officials with the right to seize the client's money, shall be executed by the acquiring bank from the bank accounts of depositors opened by the acquiring bank, while maintaining the calendar order of their receipt by the bank and in the manner prescribed by the Civil Code of the Republic of Kazakhstan.

Servicing of depositors' bank accounts shall be carried out by the acquiring bank in accordance with the requirements of the legislation of the Republic of Kazakhstan and the terms of the banking service agreements, the obligations under which have been transferred to this bank.

9. The transfer of bank assets in the form of rights (requirements) does not require the consent of the debtor (debtors), unless otherwise provided by the agreement.

To notify the debtor(s), the bank publishes a notice of the transfer of the bank's rights (requirements), in part or in full, as specified in paragraph 3 of this article. If the debtor fulfills its obligations, in part or in full, to the bank that transferred the rights (requirements), such fulfillment is deemed fulfilled to the appropriate creditor.

10. The transfer of assets and liabilities of the bank shall be carried out by agreeing on the simultaneous transfer of assets and liabilities with a transfer certificate attached to the agreement.

The transfer certificate must contain details of the transferred assets, rights securing obligations on the transferred assets and liabilities.

The provisions of the Civil Code of the Republic of Kazakhstan on the change of parties to an obligation shall apply to the agreement on the simultaneous transfer of assets and liabilities.

11. The transfer of bank assets in the form of shares, equity interests, stakes or other forms of equity participation in organizations, as well as branches and representative offices to the acquiring bank shall be carried out in accordance with the requirements of this Law and other laws of the Republic of Kazakhstan.

12. The acquiring bank shall have the right to use the information system of the bank that has transferred its assets and liabilities to it.

13. The collection and processing of personal data of the bank's clients, the rights (requirements) and obligations for which are transferred during the operation provided for in paragraph 1 of this article, shall be carried out by the acquiring bank without the consent of the subjects of the personal data or their legal representatives.

Chapter 11. BANKING SECRECY. SEIZURE AND ENFORCEMENT AGAINST FUNDS AND PROPERTY HELD BY A BANK

Article 69. Banking secrecy

1. Banking secrecy includes information about clients and correspondents of banks, their transactions and relationships with banks related to the receipt of banking services, including, without limitation, information about:

availability, owners and numbers of bank accounts and bank correspondents;

balances and movements of money in these accounts and the accounts of the bank itself;

restrictions on the listed accounts (decisions and/or orders of government agencies to suspend expenditure transactions, arrests, pledges);

operations of clients and correspondents, and the bank itself (except for the general conditions for carrying out banking activities);

availability, owners, nature and value of clients' property stored in safe deposit boxes, cabinets and bank premises;

receipt of loans by clients (except in cases specified in this article);

conducting transactions for payments and/or money transfers, including those carried out without opening a bank account.

Information about loans issued and/or received by a liquidated bank before the commencement of its liquidation procedure is not considered a banking secret.

2. The Bank shall guarantee the confidentiality of the transactions and accounts of its clients and correspondents, as well as the confidentiality of property stored in safe deposit boxes, cabinets and bank premises, and other information constituting a banking secret in accordance with this article.

3. Officials and employees of banks, bank holding companies, legal entities specified in subparagraphs 1), 2) and 3) of paragraph 10 of this article, and other persons who, by virtue of the performance of their official duties, have gained access to information constituting a banking secret, shall bear criminal liability for its disclosure, except for cases provided for in paragraphs 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20 and 21 of this article.

4. Banking secrecy may be disclosed:

1) to a bank client;

2) to any third party based on the consent of the account owner (property), provided to the bank in writing or by means of the identification means of the account owner (property);

3) other persons specified in this article, on the grounds and within the limits provided for in this article.

5. Banks provide (send) to state revenue authorities:

1) solely for tax administration purposes:

notification of the opening or closure of bank accounts by a legal entity, its organizational unit, an individual registered as a sole trader, an individual in private practice, a foreign national, a stateless person, or a change to the individual identification code of a bank account in the cases provided for by this Law, specifying the identification numbers of such individuals no later than two working days following the date of their opening, closure or change;

information on assignment agreements concluded with collection agencies, in the form established by the state body exercising management in the area of ensuring the receipt of taxes and other mandatory payments to the budget, in agreement with the authorized body;

upon request, information on loans (credits) provided to the individual being inspected, including an indication of the repayment amounts, including remuneration, in accordance with the tax legislation of the Republic of Kazakhstan;

2) information and documents required for conducting a tax audit and horizontal monitoring;

3) a conclusion on the receipt of foreign exchange earnings in the form and within the timeframes established by the state body exercising management in the area of ensuring the receipt of taxes and other mandatory payments to the budget, in agreement with the National Bank of the Republic of Kazakhstan;

4) information and documents on export or import operations subject to control in accordance with the currency legislation of the Republic of Kazakhstan, in the manner determined by the legislation of the Republic of Kazakhstan;

5) upon request, information on the total amounts of payments for the calendar year received into the current account through the use of a payment terminal for services, for certain categories of taxpayers - individual entrepreneurs or persons engaged in private practice, legal entities.

The categories of taxpayers for whom the information specified in the first part of this subparagraph is submitted, the form, procedure and deadlines for their submission are established by the state body exercising management in the area of ensuring the receipt of taxes and other mandatory payments to the budget, in agreement with the National Bank of the Republic of Kazakhstan;

6) information on the total amount of money received from other individuals to the bank account of an individual, in which transactions have been identified that have the characteristics of receiving income from entrepreneurial activity.

The criteria for classifying transactions carried out on the bank accounts of an individual as transactions that have the characteristics of receiving income from entrepreneurial activity, the list and procedure for submitting the information provided for in the first part of this subparagraph, shall be established by the state body exercising management in the area of ensuring the receipt of taxes and other mandatory payments to the budget, in agreement with the National Bank of the Republic of Kazakhstan;

7) information on the existence of bank accounts and their numbers, on the balances of funds in these accounts, on the existence, type and value of other property, including that placed in metal accounts or managed by non-resident individuals, non-resident legal entities, legal entities whose beneficial owners are non-residents, in accordance with the international agreement on the exchange of information, in the manner, timeframe and form established by the state body exercising management in the area of ensuring the receipt of taxes and other mandatory payments to the budget, in agreement with the National Bank of the Republic of Kazakhstan;

8) information on the total amounts of payments and transfers for the quarter, made in favor of and in the context of foreign companies operating through an Internet platform on the territory of the Republic of Kazakhstan, in the manner, timeframe and form established by the state body exercising management in the area of ensuring the receipt of taxes and other mandatory payments to the budget in agreement with the National Bank of the Republic of Kazakhstan;

9) upon request, information on the availability and numbers of bank accounts, on the balances and movement of funds in these accounts, other information related to an agreement concluded between an individual or legal entity and a bank that provides for the provision of banking services, as well as information on the availability, type and value of other property, including that placed in metal accounts or under the management of individuals and legal entities specified in the request of the state revenue authority of a foreign state sent in accordance with an international treaty of the Republic of Kazakhstan;

10) information on the availability of bank accounts and their numbers, on the balances and movement of funds in these accounts, of persons registered with state revenue authorities as taxpayers engaged in electronic commerce of goods, in the manner and within the timeframes established by the state body exercising management in the area of ensuring the receipt of taxes and other mandatory payments to the budget, in agreement with the National Bank of the Republic of Kazakhstan;

11) information and/or documents in accordance with the rules for the withdrawal of cash from bank accounts by business entities, approved by a joint act of the National Bank of the Republic of Kazakhstan, the authorized body and the state body exercising management in the area of ensuring the receipt of taxes and other mandatory payments to the budget.

6. Banks shall provide (send):

1) to the authorized body for financial monitoring information, data and documents in accordance with the Law of the Republic of Kazakhstan "On combating the legalization (

laundering) of proceeds from crime, the financing of terrorism and the financing of the proliferation of weapons of mass destruction";

2) to the operator of the electronic government payment gateway, government agencies and courts, through the electronic government payment gateway, information and data on payments and money transfers related to the payment of payments to the budget, the transfer of mandatory pension contributions, mandatory professional pension contributions and social contributions, payment for government services, directly when banks carry out these payments and money transfers, as well as data on returned payments and money transfers carried out by the central authorized body for budget execution;

3) to other banks documents confirming the fact of issuance of a bank loan, information necessary for carrying out operations provided for in Articles 68, 94, 95, 97 and 98 of this Law;

4) at the request of the subject of provision of services in electronic form and the subject of receipt of services in electronic form, information in electronic form about:

ownership of the bank account by the person specified in the request and the existence of a pledge agreement for movable property and immovable property - when providing public services in electronic form in accordance with the Law of the Republic of Kazakhstan "On Informatization";

the amount of money, the date of payment, the sender of the money and the beneficiary - when individuals and legal entities make payments for services rendered in electronic form in accordance with the Law of the Republic of Kazakhstan "On Informatization";

5) to the authorized body information about incidents of information security of the bank, including information about violations and failures in information systems;

6) to the agent bank the information necessary for the organization and implementation of syndicated financing in accordance with the Law of the Republic of Kazakhstan "On Project Financing and Securitization" (if the bank providing the information is a member of the syndicate of creditors);

7) to an organization specializing in improving the quality of loan portfolios of second-tier banks, as well as to a legal entity that carries out independent asset assessment, technical, financial and/or legal audit, and also provides other services, information necessary for the organization specializing in improving the quality of loan portfolios of second-tier banks to carry out its statutory activities;

8) to an organization specializing in improving the quality of loan portfolios of second-tier banks, in relation to a person who is a borrower, guarantor, surety, lessee or pledger of an organization specializing in improving the quality of loan portfolios of second-tier banks:

certificates on the existence and numbers of bank accounts, on the balances and movements of funds in these accounts, bank transactions (except for the general conditions for carrying out banking activities);

information on the availability, nature and value of property stored in safe deposit boxes, cabinets and bank premises.

The specified information shall be provided based on a written request from an organization specializing in improving the quality of loan portfolios of second-tier banks, signed by the chairman of the board or his deputy, subject to the submission of copies of documents confirming the acquisition by the organization specializing in improving the quality of loan portfolios of second-tier banks of the rights to claim for the loan specified in the request.

Copies of documents confirming the acquisition of loan claims by an organization specializing in improving the quality of second-tier bank loan portfolios shall be marked " True copy." True copy" mark shall be indicated without quotation marks and is certified by the signature of an authorized person of the organization specializing in improving the quality of second-tier bank loan portfolios, who is vested with the appropriate authority to certify copies of documents. This signature shall indicate the person's position, last name and initials, and the date of certification. The seal of the organization specializing in improving the quality of second-tier bank loan portfolios shall be affixed.

9) to the joint-stock company "Kazakhstan Sustainability Fund", one hundred percent of the voting shares of which belong to the National Bank of the Republic of Kazakhstan, information necessary for the implementation of the Programs for refinancing mortgage housing loans (mortgage loans) and/or increasing the financial stability of the banking sector of the Republic of Kazakhstan, approved by the National Bank of the Republic of Kazakhstan ;

10) information to the bank's creditors, obligations to whom are subject to compulsory restructuring, as well as to other banks within the framework of compulsory restructuring of the obligations of a bank that is in a settlement regime;

11) to the credit bureau:

information on bank loans, leasing, factoring, forfaiting operations, discounting of bills of exchange, as well as guarantees, sureties, and letters of credit issued by the bank in accordance with the laws of the Republic of Kazakhstan;

negative information about the subject of the credit history in terms of overdue debt in excess of one hundred eighty calendar days;

12) information to a banking holding company – a resident of the Republic of Kazakhstan , for the purposes of calculating prudential standards by a banking conglomerate, as well as the formation of a risk management and internal control system for a banking conglomerate;

13) in electronic form, at the request of a notary, generated in electronic form with the consent of the bank client, information on the availability and amount of money in the escrow account opened for the bank client to complete a transaction with real estate in non-cash form, based on the certification of the agreement on alienation of real estate performed by the notary;

14) information, details and documents constituting banking secrecy relating to persons included in the register, upon a written request from the authorized body for the return of assets, signed by the chief executive or the deputy chief executive responsible for asset recovery, accompanied by an extract from the register compiled in accordance with the Law of the Republic of Kazakhstan ‘On return to the state of illegally acquired assets’;

15) to the issuer of securities and the representative of the holders of securities, information on the bank loan agreement (issued loan), the rights (requirements) under which are transferred as collateral for securities, including within the framework of the implementation of a securitization transaction;

16) to the authorized body in the field of social protection of the population, information on the existence of bank accounts and their numbers, on the balances in these accounts, and on the existence, type and value of other property, including that held in metal accounts or managed by individuals, in accordance with the timeframes and in the form established by the state body responsible for social protection, in consultation with the National Bank of the Republic of Kazakhstan.

7. A bank that is in the financial stability restoration regime, the settlement regime, and is a participant in the mandatory deposit insurance system, the temporary administration for managing the bank and the authorized body shall provide information, data and documents on the activities of such a bank, including information on its assets and liabilities, to the organization implementing the mandatory deposit insurance, for the performance of the functions stipulated by the legislation of the Republic of Kazakhstan on mandatory deposit insurance.

A bank that is a participant in the mandatory deposit guarantee system, a temporary administration appointed after the bank's banking license on implementation of all types of operations has been deprived, or a liquidation commission of a bank shall provide information on deposits of individuals, and if the creditor and debtor coincide in one person, information on its obligations to the organization implementing the mandatory deposit guarantee, and to agent banks for the performance of functions stipulated by the legislation of the Republic of Kazakhstan on mandatory deposit guarantee.

8. The National Bank of the Republic of Kazakhstan shall carry out:

1) provision to the state revenue authority, in the manner determined by the legislation of the Republic of Kazakhstan, of information and/or documents on export or import operations subject to control in accordance with the currency legislation of the Republic of Kazakhstan;

2) provision to the state revenue agency and the authorized body of information and data on the withdrawal of cash from bank accounts by business entities in excess of the established maximum amounts in accordance with the rules for the withdrawal of cash from bank accounts by business entities;

3) exchange of information, including information constituting a banking secret, with the authorized body;

4) provision of information received in accordance with international treaties of the Republic of Kazakhstan, treaties providing for the exchange of confidential information, to other state bodies of the Republic of Kazakhstan only with the consent of the party that provided such information;

5) provision of information containing banking secrecy to organizations specified in subparagraph 38-2) of Article 8 of the Law of the Republic of Kazakhstan "On the National Bank of the Republic of Kazakhstan", under the conditions stipulated by the specified article;

6) provision to the state revenue authority of information received from authorized banks on payments and/or money transfers from the Republic of Kazakhstan and to the Republic of Kazakhstan of an individual (individual), a legal entity (legal entity), as well as a structural subdivision (structural subdivision) of a legal entity for foreign exchange transactions in the amount of fifty thousand US dollars in equivalent, carried out through second-tier banks and organizations carrying out certain types of banking operations, for transactions (contracts), including non-commodity transactions;

7) submission to the state revenue authority of a conclusion on the receipt of foreign exchange earnings;

8) submission to the state revenue authority of information on transactions recognized as income of a non-resident from sources in the Republic of Kazakhstan in accordance with subparagraph 39) of paragraph 1 of Article 679 of the Tax Code of the Republic of Kazakhstan;

9) submission to the Astana International Financial Centre Committee for Regulation of Financial Services of information on foreign exchange transactions carried out by authorized banks on behalf of participants of the Astana International Financial Centre;

10) submission to the state revenue authority of information received from the Committee of the Astana International Financial Centre for Regulation of Financial Services on foreign exchange transactions carried out by participants of the Astana International Financial Centre on the territory of the Astana International Financial Centre.

9. The authorized body shall provide:

1) to the National Coordination Center for Information Security information on incidents of information security of the bank, including information on violations, failures in information systems, if there is a threat to the stability of the financial and/or payment system of the Republic of Kazakhstan;

2) to the audit organization, the information specified in part five of paragraph 10 of Article 82 of this Law;

3) information containing banking secrecy to the organizations specified in paragraph 4 of Article 15 of the Law of the Republic of Kazakhstan "On state regulation, control and supervision of the financial market and financial organizations", under the conditions stipulated by the specified article;

4) information received in accordance with international treaties of the Republic of Kazakhstan, treaties providing for the exchange of confidential information, to other state bodies of the Republic of Kazakhstan only with the consent of the party that provided such information;

5) information containing banking secrecy to the National Bank of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan in the context of the consideration of the issue of state participation in the settlement regime of a systemically important bank.

10. Information constituting a banking secret shall be provided:

1) by the persons specified in paragraph 1 of Article 63 of this Law, in terms of information under the bank loan agreement to the persons specified in paragraph 1 of Article 63 of this Law, upon assignment (reassignment) of rights (requirements) under the bank loan agreement;

2) an organization specializing in improving the quality of loan portfolios of second-tier banks, a service company in terms of information on a loan, the rights (requirements) for which were acquired, received in trust management by this organization, service company;

3) persons specified in paragraph 1 of Article 63 of this Law, in terms of information on a loan (credit) to a collection agency under an agreement, the subject of which is the provision of services for pre-trial collection and settlement of debt, as well as the collection of information related to debt, concluded with this collection agency, or a service company under an agreement for the trust management of rights (requirements) in accordance with Article 63 of this Law;

4) by an official of a government agency or a person performing managerial functions in an organization, in the form of supporting documents and materials when sending a report of a criminal offense to the criminal prosecution agency;

5) to the credit bureau for banking loan operations in accordance with the laws of the Republic of Kazakhstan;

6) to credit bureaus in terms of negative information about a subject of a credit history regarding overdue debt in excess of one hundred eighty calendar days to persons entitled to receive information from a credit bureau in accordance with the laws of the Republic of Kazakhstan;

7) when exchanging data on payment transactions with signs of fraud, as well as on other payments and/or transfers carried out in the manner determined by the regulatory legal act of the National Bank of the Republic of Kazakhstan, between the center for exchanging data on payment transactions with signs of fraud, financial organizations, payment organizations providing payment services provided for in subparagraphs 8) and 9) of paragraph 1 of Article 12 of the Law of the Republic of Kazakhstan "On Payments and Payment Systems", mobile operators, criminal prosecution agencies, national security and law enforcement agencies, the National Bank of the Republic of Kazakhstan, the authorized body, the authorized body for

financial monitoring, as well as other persons - participants in the center for exchanging data on payment transactions with signs of fraud, determined by the National Bank of the Republic of Kazakhstan;

8) microfinance organizations, credit unions and pawnshops to self-regulatory organizations in the field of microfinance activities in the course of the implementation by self-regulatory organizations in the field of microfinance activities of an audit of the activities of their members (participants);

9) collection agencies of a self-regulatory organization in the field of collection activities in the course of the implementation by self-regulatory organizations in the field of collection activities, of an inspection of the activities of their members (participants);

10) when exchanging information between the National Bank of the Republic of Kazakhstan, the authorized body and the organization implementing mandatory deposit insurance, for the purpose of ensuring the functioning of the mandatory deposit insurance system;

11) when providing information, data and documents for the purpose of countering the legalization (laundering) of proceeds from crime, the financing of terrorism and the financing of the proliferation of weapons of mass destruction.

11. Certificates on the existence and numbers of bank accounts shall be issued to the bank in relation to which the owner of the account(s) is the borrower, guarantor, surety, lessee or pledger, based on the bank's request, subject to the submission of documents confirming the receipt of the loan, the list and procedure for submission of which are established in the regulatory legal acts of the National Bank of the Republic of Kazakhstan.

The bank may submit requests and documents confirming the receipt of a loan in hard copy or electronic form. Certificates regarding the existence and numbers of an individual's bank accounts shall be issued to the bank for the individual's accounts opened with the bank, including those related to business activities.

12. Certificates on the existence and numbers of bank accounts of a legal entity and/or its structural division, as well as current accounts of an individual registered as an individual entrepreneur or a person engaged in private practice, on the balances and movement of funds in these accounts are issued:

1) to the bodies of inquiry and preliminary investigation in criminal cases under their jurisdiction based on a written request certified by a seal and authorized by the prosecutor;

2) to courts on cases pending before them based on a ruling, order, decision or sentence of the court;

3) to the prosecutor on the material under his consideration based on a decision to investigate within the limits of his competence;

4) to the national security agencies and the State Security Service of the Republic of Kazakhstan, with the approval of the prosecutor, for the purpose of preventing, uncovering and suppressing intelligence and/or subversive actions;

5) to state revenue authorities for tax administration and customs control in relation to:

the legal entity being audited and/or its structural division on issues related to taxation;

the individual being audited, including one registered as an individual entrepreneur or a person engaged in private practice, on issues related to taxation;

an individual who has been removed from the register as an individual entrepreneur and has ceased operations in a simplified manner for a period of time not exceeding the statute of limitations established by the tax legislation of the Republic of Kazakhstan;

a legal entity and/or its structural division, an individual registered as an individual entrepreneur or a person engaged in private practice, whose actual absence from the place of location is confirmed in the manner established by the tax legislation of the Republic of Kazakhstan, and who have not submitted tax reporting before the expiration of six months after the deadline for its submission established by the tax legislation of the Republic of Kazakhstan;

a legal entity, an individual registered as an individual entrepreneur or a person engaged in private practice, who is in the process of liquidation (termination of activities);

a legal entity, an individual registered as an individual entrepreneur, included in the register of inactive taxpayers;

an individual registered as an individual entrepreneur or a legal entity who has a tax debt that has not been repaid within two months from the date of its occurrence, in the amount of more than 2,500 times the monthly calculation index in effect on January 1 of the relevant financial year;

persons in respect of whom comparative control of issuing electronic invoices shall be carried out.

The forms of information provided for in this subparagraph, except for paragraph eight of this subparagraph, shall be established by the state body exercising management in the area of ensuring the receipt of taxes and other mandatory payments to the budget, in agreement with the National Bank of the Republic of Kazakhstan;

6) to state bailiffs for enforcement proceedings carried out by them based on a decision of a state bailiff, certified by the seal of the justice authority and authorized by the prosecutor, only in terms of information on the existence and numbers of bank accounts of a legal entity and/or its structural subdivision, on the availability of money in these accounts within the limits of the amount to be collected;

7) to private bailiffs for enforcement proceedings carried out by them based on a decision of a private bailiff, certified with a personal seal and authorized by the prosecutor, or a copy thereof, certified with a personal seal, only in terms of information on the existence and numbers of bank accounts of a legal entity and/or its structural subdivision, on the availability of money in these accounts within the limits of the amount to be collected;

8) to the authorized body in the field of rehabilitation and bankruptcy in relation to a person for whom there is a court decision that has entered into legal force on declaring the

person bankrupt and/or a court decision on the application of a rehabilitation procedure, a court decision on the liquidation of the debtor without initiating bankruptcy proceedings for a period of three years before the initiation of the case, with the approval of the prosecutor;

9) to the territorial justice body based on a settlement generated in the state automated information system of enforcement proceedings, within the framework of simplified proceedings provided for by the Law of the Republic of Kazakhstan "On Enforcement Proceedings and the Status of Bailiffs", and certified by an electronic digital signature of the head of the territorial justice body or their deputy;

10) to state revenue authorities in relation to a legal entity whose activities include the organization and conduct of gambling and/or betting.

13. Certificates on the existence and numbers of bank accounts of an individual, on the balances and movement of funds in these accounts, shall be issued to state revenue authorities in relation to:

an individual registered in accordance with the procedure laid down by the law as a candidate for the office of the President of the Republic of Kazakhstan, as a member of the Kurultai of the Republic of Kazakhstan or a maslikhat, or as a member of a local government body, and their spouse;

a person who is a candidate for a government position or for a position related to the performance of government or equivalent functions, and his/her spouse;

a person holding a public office during the period of the exercise of their powers and their spouse during the same period;

a person released on parole from serving a sentence.

The information provided for in this paragraph, subparagraph 5) of paragraph 12, subparagraph 1) of part one of paragraph 14 of this article, shall be submitted based on a request from the state revenue authority solely for tax administration in the form established by the authorized state body exercising management in the area of ensuring the receipt of taxes and other mandatory payments to the budget, in agreement with the National Bank of the Republic of Kazakhstan.

The information specified in paragraph four of subparagraph 1) of paragraph 5, subparagraph 2) of part one of paragraph 14, paragraph 15 of this article shall be submitted based on a request from a state revenue authority solely for tax administration in the form established by the authorized state body exercising management in the area of ensuring the receipt of taxes and other mandatory payments to the budget, in agreement with the authorized body.

14. Banks shall provide the authorized state body responsible for ensuring the receipt of taxes and other mandatory payments to the budget, upon its request, with the following information:

1) on the availability, number of bank accounts and the balances of funds in these accounts of individuals who have become obligated to submit declarations of assets and liabilities, income and property;

2) on the movement of funds in bank accounts of individuals who have become obligated to submit a declaration of income and property in connection with the acquisition of property during the calendar year with a value exceeding 20,000 times the monthly calculation indicator established by the law on the republican budget and in effect on December 31 of the reporting tax period;

3) on loans provided to individuals who have become obligated to submit declarations of income and property, assets and liabilities, indicating the repayment amounts, including remuneration.

The information specified in subparagraph 2) of part one of this paragraph shall be submitted at the request of the state revenue authority, indicating the grounds and period for the occurrence of the obligation to submit a declaration of income and property.

The request of the authorized state body exercising management in the area of ensuring the receipt of taxes and other mandatory payments to the budget, as provided for in the first part of this paragraph, shall be accompanied by a list of individuals who have become obligated to submit declarations of assets and liabilities, income and property.

15. Banking secrecy regarding the provision of information on the payment of interest by an individual on mortgage loans obtained for the purchase of housing in the Republic of Kazakhstan may be disclosed based on a request from state revenue authorities. The request from state revenue authorities shall be processed if the individual (account holder) consents to the provision by banks of information on the payment of interest on mortgage loans, as specified in the income and property declaration.

16. Information on the existence (opening), numbers of bank accounts and the balances of funds in these accounts, as well as the availability, type and value of other property, including those placed in metal accounts or under management, shall be submitted by banks to the authorized state body exercising management in the area of ensuring the receipt of taxes and other mandatory payments to the budget, in accordance with the tax legislation of the Republic of Kazakhstan in relation to:

1) individuals and legal entities that are non-residents of the Republic of Kazakhstan in accordance with the tax legislation of the Republic of Kazakhstan, as well as legal entities whose beneficial owners are non-residents of the Republic of Kazakhstan in accordance with the tax legislation of the Republic of Kazakhstan;

2) individuals and legal entities specified in the request of the state revenue authority of a foreign state, sent in accordance with an international treaty of the Republic of Kazakhstan.

The procedure, deadlines and form for submitting the information specified in this paragraph shall be established by the authorized state body exercising management in the area of ensuring the receipt of taxes and other mandatory payments to the budget, in agreement with the authorized body and the National Bank of the Republic of Kazakhstan.

17. Information on the existence and numbers of an individual's bank accounts, on the balances and movement of funds in these accounts, as well as available information on the nature and value of his property stored in safe deposit boxes, cabinets and bank premises, shall be issued to:

1) representatives of an individual based on a notarized power of attorney;

2) to bodies of inquiry and preliminary investigation in criminal cases pending before them, in cases where money and other property of an individual located in accounts or stored in a bank may be seized, foreclosed, or confiscated based on a written request signed by the person conducting the inquiry and preliminary investigation, certified by the seal of the body of inquiry or preliminary investigation, or a request in electronic form, certified by means of an electronic digital signature of the person conducting the inquiry and preliminary investigation, with the sanction of the prosecutor, imposed in writing or electronic form;

3) courts in cases pending before them based on a court ruling, order, decision, or judgment in cases where money and other property of an individual located in accounts or in storage in a bank may be seized, foreclosed or confiscated;

4) the prosecutor on the material under his consideration based on a decision to conduct an inspection, submitted on paper or in the form of an electronic document, within the limits of their competence;

5) the national security agencies and the State Security Service of the Republic of Kazakhstan, with the approval of the prosecutor, for the purpose of preventing, uncovering and suppressing intelligence and/or subversive actions;

6) state bailiffs for enforcement proceedings carried out by them, based on a decision of a state bailiff, certified by the seal of the justice authority and sanctioned by the prosecutor, only in terms of information on the availability and numbers of bank accounts of an individual - the debtor, on the availability of money in these accounts within the limits of the amount to be collected, and in the event of insufficient funds - also on the movement of money in these accounts from the moment of initiation of enforcement proceedings and the availability of safe deposit boxes;

7) private bailiffs for enforcement proceedings carried out by them, based on a decision of a private bailiff, certified by a personal seal and authorized by the prosecutor, only in terms of information on the availability and numbers of bank accounts of an individual - the debtor, on the availability of money in these accounts within the amount to be collected, and in the event of insufficient funds - also on the movement of money in these accounts from the moment of initiation of enforcement proceedings and on the availability of safe deposit boxes;

8) the territorial justice body, based on a settlement generated in the state automated information system of enforcement proceedings, within the framework of simplified proceedings provided for by the Law of the Republic of Kazakhstan "On enforcement

proceedings and the status of bailiffs" and certified by means of an electronic digital signature of the head of the territorial justice body or his deputy, only in terms of information on the existence of bank accounts of an individual - the debtor and their numbers, the availability of money in these accounts within the amount to be collected, and in the event of insufficient funds - also on the movement of money in these accounts from the moment of initiation of simplified proceedings and the availability of safe deposit boxes;

9) the financial manager, based on a request for the provision of information on the existence and numbers of bank accounts of an individual in respect of whom a case has been initiated on the application of the procedure for restoring solvency or the procedure for judicial bankruptcy, on the balances of money in these accounts, as well as on the movement of money in such accounts for a period of three years before the initiation of the case on the application of the procedure for restoring solvency or the procedure for judicial bankruptcy, based on an order of the state body exercising management in the sphere of public administration on the restoration of solvency and bankruptcy of citizens of the Republic of Kazakhstan;

10) the state body exercising management in the sphere of public administration for the restoration of solvency and bankruptcy of citizens of the Republic of Kazakhstan, based on a request to provide, in relation to a citizen who has filed an application for the application of procedures provided for by the Law of the Republic of Kazakhstan "On the restoration of solvency and bankruptcy of citizens of the Republic of Kazakhstan", information on the availability and numbers of bank accounts, on the balances of funds in these accounts, as well as on the movement of funds in such accounts for a period of three years before the filing of such a request.

18. Information on the availability and numbers of bank accounts, balances and movements of funds in the client's bank accounts, as provided for in paragraphs 12 and 17 of this article, shall be submitted on paper or in electronic form within three business days from the date of receipt of the request from the authorized body, the National Bank of the Republic of Kazakhstan.

Information may be submitted in the form of an electronic document upon receipt of a decision of the bailiff authorized by the prosecutor in electronic form through the state automated information system of enforcement proceedings.

Information on the availability and numbers of bank accounts, balances and movements of funds in the client's bank accounts, submitted on paper, shall be sent in the form of a statement of movement of funds in the client's bank accounts and contain information specified by the regulatory legal act of the National Bank of the Republic of Kazakhstan.

Information on the availability and numbers of bank accounts, on the balances and movement of money in the client's bank accounts shall be issued to the persons (bodies) specified in subparagraphs 1), 2), 3), 6) and 7) of paragraph 12, as well as subparagraphs 2), 3), 4), 6) and 7) of paragraph 17 of this article, based on a request on paper or in electronic form.

The exchange of information with state revenue authorities, as provided for in this article, shall be carried out via a telecommunications network; in the event of a technical failure, the information shall be sent on paper.

19. Banking secrecy may be disclosed to the financial ombudsman in connection with appeals from individuals and/or small business entities under consideration, related to the settlement of disagreements arising in the provision of banking services.

20. Certificates on the existence and numbers of an individual's bank accounts and the balances on them, as well as available information on the existence, nature and value of their property stored in safe deposit boxes, cabinets and bank premises, in the event of the owner's death, shall be issued to:

1) persons specified by the owner of the account (property) in the testamentary disposition ;

2) courts and notaries in inheritance cases pending before them based on a court ruling, decision or notary’s request;

3) foreign consular offices for inheritance cases pending before them;

4) heirs.

21. Certificates on the availability and numbers of bank accounts of an individual, including those registered as an individual entrepreneur or a person engaged in private practice, on the balances and movement of money in these accounts, opened for the subjects of legalization for the legalization of money in accordance with the Law of the Republic of Kazakhstan "On the amnesty of citizens of the Republic of Kazakhstan, oralmans and persons holding a residence permit in the Republic of Kazakhstan, in connection with the legalization of property by them", shall be submitted to the bodies of inquiry and preliminary investigation, state revenue bodies with the approval of the Prosecutor General of the Republic of Kazakhstan or their deputies.

22. Requests and orders of government bodies or officials listed in paragraphs 12 and 17 of this article, except for requests from state revenue authorities, on paper shall be certified by the seal of the government body or an official.

When submitting copies of requests or decrees from government agencies or officials, the copies of these documents shall be marked "True Copy." The "True Copy" mark shall be provided without quotation marks and certified by the signature of an authorized person authorized to certify copies of documents, indicating their position, last name and initials, the date of certification, and the seal of the government agency or official.

23. The seizure and/or requisition of documents containing information constituting a banking secret, or copies thereof, shall be carried out based on orders to carry out a seizure, authorized by the court in accordance with the provisions of the Criminal Procedure Code of

the Republic of Kazakhstan, or based on a court ruling in the manner determined by the Civil Procedure Code of the Republic of Kazakhstan.

24. The requirements of this article applicable to banks shall apply to branches of banks that are non-residents of the Republic of Kazakhstan and organizations that carry out certain types of banking operations.

The requirements of paragraphs 1, 2, 3, 4, 12, 18 and 23 of this article shall apply to the state treasury and state treasury bodies.

Footnote. Article 69, as amended by the Law of the Republic of Kazakhstan dated 11.06.2026 № 306-VIII (shall enter into force from 01.07.2026).

Article 70. Seizure and foreclosure of money and property held in a bank

1. The funds and other property of an individual or legal entity held in bank accounts may be seized by courts based on judicial decisions and by bailiffs based on bailiff orders authorized by the prosecutor, as well as based on orders of territorial justice bodies obtained through the state automated information system for enforcement proceedings. A temporary restriction on the disposal of the funds and other property of an individual or legal entity held in bank accounts may be imposed, as well as restrictions on transactions and other operations with the property, on the grounds and in the manner stipulated by the criminal procedure legislation of the Republic of Kazakhstan.

It shall be prohibited to establish temporary restrictions on the disposal of property, restrictions on transactions and other operations with property, or to seize:

1) on money held in bank accounts and/or electronic money held in electronic wallets of electronic money intended for crediting benefits and social payments paid from the state budget and/or the State Social Insurance Fund;

2) on funds located in bank accounts intended for the crediting of housing payments, one-time pension payments from a unified accumulative pension fund for the purpose of improving housing conditions and/or paying for treatment, target assets, payments of target savings from a unified accumulative pension fund for the purpose of improving housing conditions and/or paying for education, payments of savings from an educational savings deposit or insurance payments under an educational savings insurance contract for improving housing conditions;

3) on money held in a bank account in a housing construction savings bank in the form of housing construction savings accumulated through the use of housing payments, one-time pension payments from a unified accumulative pension fund for the purpose of improving housing conditions and/or paying for treatment, in the form of payments of targeted savings from a unified accumulative pension fund for the purpose of improving housing conditions and/or paying for education, in the form of payments of savings from an educational savings deposit or insurance payments under an educational savings insurance contract for improving housing conditions;

4) on funds held in bank accounts in second-tier banks in the form of savings for capital repairs of the common property of a condominium, except for collections based on court decisions in cases of failure to fulfill obligations under contracts concluded for the purpose of carrying out capital repairs of the common property of a condominium;

5) on funds held in a bank account in a housing construction savings bank with the status of a national development institution, intended for the transfer of payments and subsidies for the purpose of paying for rented housing in the private housing stock;

6) on money deposited under the terms of a notary deposit;

7) on money held in bank accounts under an agreement on an educational savings deposit, concluded in accordance with the Law of the Republic of Kazakhstan "On the State Educational Savings System";

8) on the assets of the social health insurance fund and transfers allocated for the guaranteed volume of free medical care, located in bank accounts;

9) on funds located in bank accounts intended for recording the funds of the investment portfolio manager’s clients, for the unfulfilled obligations of the given investment portfolio manager;

10) on money held in bank accounts intended for recording the money of clients of the person performing the functions of the nominee holder, for the unfulfilled obligations of this person performing the functions of the nominee holder;

11) on funds held in bank accounts for the implementation of clearing activities for transactions with financial instruments;

12) with the money of banks, insurance (reinsurance) organizations, voluntary accumulative pension funds that have been deprived of their license by the authorized body and/or are in the process of forced liquidation;

13) with the money of 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, whose licenses have been deprived by the authorized body and which are in the process of forced termination of activities;

14) on funds located in bank accounts intended for the transfer of compensation for investment costs in accordance with the legislation of the Republic of Kazakhstan in the field of public-private partnership;

15) on the money located in the current account of a private bailiff, intended for storing the collected amounts in favor of the creditors;

16) on funds located in the bank account of a single operator in the sphere of public procurement, intended for the deposit of funds by potential suppliers or suppliers as security measures within the framework of participation in public procurement in accordance with the Law of the Republic of Kazakhstan "On Public Procurement";

17) on money located in the bank accounts of a citizen in respect of whom a case has been initiated on the application of the procedure or the procedure has been applied in accordance

with the Law of the Republic of Kazakhstan "On the restoration of solvency and bankruptcy of citizens of the Republic of Kazakhstan";

18) on the money located in the current account of the financial manager, intended for crediting money in the bankruptcy procedure in accordance with the Law of the Republic of Kazakhstan "On the restoration of solvency and bankruptcy of citizens of the Republic of Kazakhstan";

19) on money located in bank accounts intended for the transfer of financial assistance provided in accordance with subparagraph 1) of paragraph 4 of Article 112 of the Social Code of the Republic of Kazakhstan;

20) on money held in bank accounts in housing construction savings banks in the form of housing construction savings, which are the subject of collateral for issued bank loans;

21) on funds located in bank accounts intended for the transfer of compensation for material damage and the provision of necessary assistance from the state budget and/or from charitable organizations to individuals affected by a natural or man-made emergency;

22) on bank money and/or securities in the central depository and/or clearing organization , intended to ensure the completion of settlements on interbank payments and/or money transfers carried out on the territory of the Republic of Kazakhstan using payment cards.

The provisions of subparagraph 14) of part two of this paragraph shall not apply to restrictions imposed by state revenue authorities, as well as by courts based on judicial decisions and by bailiffs based on decisions of bailiffs authorized by the prosecutor, for which there are claims related to the first, second and third priorities in accordance with the order provided for in paragraph 2 of Article 742 of the Civil Code of the Republic of Kazakhstan.

The provisions of subparagraph 15) of part two of this paragraph shall not apply to restrictions imposed by the authorized body in the area of enforcement of writs of execution, its territorial bodies, on the suspension of expenditure transactions on the current account intended for storing collected amounts in favor of creditors, a private bailiff whose license has been suspended or terminated or whose license has been deprived.

When an arrest is imposed to secure the execution of an enforcement document based on a decision of a territorial justice body within the framework of simplified proceedings obtained through the state automated information system for enforcement proceedings, the amount of money and the value of the property subject to arrest shall not exceed the amount specified in the enforcement document.

A decision of a territorial justice body within the framework of simplified proceedings, obtained through the state automated information system of enforcement proceedings, shall not be subject to approval by the prosecutor.

When an arrest is imposed to secure a claim, the amount of money seized shall not exceed the amount of the claim and the amount of state fees and costs associated with the enforcement of court decisions, judgments, orders, and rulings. When a bailiff seizes a debt to secure the enforcement of a writ of execution, the amount of money and the value of the property seized shall not exceed the amount required to pay the amount awarded to the claimant, as well as any fines imposed on the debtor during the enforcement process, fees for the services of a private bailiff, and enforcement costs.

In this regard, the orders of bailiffs, sanctioned by the prosecutor, may be sent on paper or in electronic form via the state automated information system for enforcement proceedings.

To seize funds of individuals and legal entities, courts, inquiry and preliminary investigation bodies, bailiffs and/or territorial justice bodies send documents to banks in accordance with the requirements of the legislation of the Republic of Kazakhstan.

All debit transactions on bank accounts (except correspondent accounts) of a legal entity, its structural divisions, a non-resident operating in the Republic of Kazakhstan through a permanent establishment, or an individual registered as an individual entrepreneur or private practitioner may be suspended in cases established by the laws of the Republic of Kazakhstan by orders of state revenue authorities, and collection may only be carried out on the grounds stipulated by the laws of the Republic of Kazakhstan. Debit transactions on a current account intended for the storage of collected amounts in favor of creditors or a private bailiff whose license has been suspended or terminated, or whose license has been deprived, may be suspended based on an order of the authorized body for the enforcement of writs of execution or its territorial bodies.

Transactions on bank accounts of individuals and legal entities are suspended in cases and according to the procedure stipulated by the Law of the Republic of Kazakhstan "On Combating the Legalization (Laundering) of Proceeds from Crime, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction."

In this regard, orders of state revenue authorities, the authorized body in the sphere of ensuring the execution of executive documents, and its territorial bodies may be sent to banks on paper or in electronic form via a telecommunications network or the state automated information system for enforcement proceedings.

An order sent on paper shall be signed by the first manager and certified with the seal of the state revenue authorities or the head of the structural subdivision of the authorized body in the area of ensuring the execution of executive documents, its territorial bodies, and certified with the seal.

An order of state revenue authorities or an authorized body in the sphere of ensuring the execution of executive documents, its territorial bodies, sent in electronic form, shall be generated in accordance with the formats established by the authorized state bodies in agreement with the National Bank of the Republic of Kazakhstan.

2. Banks refuse to enforce acts on temporary restrictions on the disposal of property located in the bank in the absence of the consent of the prosecutor in accordance with the requirements of the criminal procedure legislation of the Republic of Kazakhstan.

Banks refuse to execute acts of seizure in the absence of the amount on which the seizure is imposed and/or the absence of the approvals or sanctions provided for by the criminal procedure legislation of the Republic of Kazakhstan and the legislation of the Republic of Kazakhstan on enforcement proceedings and the status of bailiffs.

3. Confiscation of money and other property of an individual or legal entity located in a bank, except for pension assets, assets of the social health insurance fund and transfers allocated for the guaranteed volume of free medical care, may be carried out only based on a court decision (sentence) that has entered into legal force.

4. The requirements of this article applicable to banks shall apply to branches of banks that are non-residents of the Republic of Kazakhstan and organizations that carry out certain types of banking operations.

SECTION 5. STATE REGULATION, CONTROL AND SUPERVISION Chapter 12. ENSURING FINANCIAL STABILITY OF A BANK OR A BRANCH OF A BANK – A NON-RESIDENT OF THE REPUBLIC OF KAZAKHSTAN

Article 71. Competence of the authorized body

The authorized body shall develop and approve regulatory legal acts in the sphere of state regulation, control and supervision of banks and other participants in the banking sector of the Republic of Kazakhstan in accordance with the purpose and objectives established by paragraphs 1 and 2 of Article 3 of this Law and the legislation of the Republic of Kazakhstan.

The list of regulatory legal acts shall be determined by the regulation on the authorized body, approved by the Decree of the President of the Republic of Kazakhstan.

Article 72. Prudential standards and limits

1. Prudential standards and limits are economic restrictions established by the authorized body for banks, branches of banks that are non-residents of the Republic of Kazakhstan, and banking conglomerates to ensure their financial stability and protect the rights of consumers of banking services.

The prudential standards established by the authorized body for mandatory compliance by banks shall include:

1) minimum amounts of the authorized and equity capital of the bank;

2) equity capital adequacy ratios;

3) the maximum risk per borrower;

4) liquidity ratios;

5) open currency position limits;

6) the minimum amount of obligations under instruments that ensure the overall ability to absorb (cover) losses;

7) leverage ratio.

Prudential standards for a bank with a universal banking license, a bank with a basic banking license, an Islamic bank, their maximum values and calculation methods are established by a regulatory legal act of the authorized body.

2. The prudential standards established by the authorized body for mandatory compliance by banking conglomerates shall include:

1) minimum size of authorized capital;

2) equity capital adequacy ratios;

3) the maximum risk per borrower.

Prudential standards for banking conglomerates, their maximum values and calculation methods shall be established by a regulatory legal act of the authorized body.

3. The authorized body shall have the right to establish additional prudential standards and limits used in international banking practice, which are mandatory for banks and banking conglomerates to comply with, and/or for the purpose of minimizing the risks of banks and banking conglomerates and ensuring the stability of the financial system.

The authorized body shall establish additional capital adequacy requirements for systemically important banks. The procedure for classifying a bank as systemically important shall be determined by the National Bank of the Republic of Kazakhstan in consultation with the authorized body.

4. A bank that is a non-resident of the Republic of Kazakhstan forms assets of a branch of a bank that is a non-resident of the Republic of Kazakhstan, accepted as a reserve, to ensure the financial stability of the branch of a bank that is a non-resident of the Republic of Kazakhstan.

Assets of a branch of a bank - non-resident of the Republic of Kazakhstan, accepted as a reserve, shall be recognized as money placed by a bank - non-resident of the Republic of Kazakhstan in a correspondent account opened in the National Bank of the Republic of Kazakhstan for a branch of a bank - non-resident of the Republic of Kazakhstan, and/or financial instruments, the list of which is established by a regulatory legal act of the authorized body, acquired by a branch of a bank - non-resident of the Republic of Kazakhstan after obtaining a banking license in the territory of the Republic of Kazakhstan.

Prudential standards and limits for branches of banks that are non-residents of the Republic of Kazakhstan, their maximum values and calculation methods, including the procedure for the formation of assets of branches of banks that are non-residents of the Republic of Kazakhstan, accepted as a reserve, and their minimum size, shall be established by a regulatory legal act of the authorized body.

5. A bank, a banking conglomerate, or a branch of a bank that is a non-resident of the Republic of Kazakhstan shall submit reports on compliance with prudential standards and limits to the National Bank of the Republic of Kazakhstan in accordance with the regulatory legal acts of the National Bank of the Republic of Kazakhstan.

Article 73. Macroprudential standards and limits

1. The macroprudential standards and limits established by the National Bank of the Republic of Kazakhstan for mandatory compliance by banks and branches of banks that are non-residents of the Republic of Kazakhstan shall include:

1) countercyclical capital buffer;
2) sectoral countercyclical capital buffer;
3) the borrower's debt burden ratio;
4) the borrower's debt-to-income ratio.

The National Bank of the Republic of Kazakhstan shall have the right to establish additional macroprudential standards and limits used in international banking practice that are mandatory for banks and branches of banks that are non-residents of the Republic of Kazakhstan.

Macroprudential standards and limits, their normative values and calculation methods shall be established by the regulatory legal act of the National Bank of the Republic of Kazakhstan.

2. The authorized body shall exercise control and supervision over compliance by banks and branches of banks that are non-residents of the Republic of Kazakhstan with macroprudential standards and limits.

The authorized body shall take measures, in accordance with the legislation of the Republic of Kazakhstan, to hold banks, major bank participants, bank holding companies, branches of banks that are non-residents of the Republic of Kazakhstan and/or their officials liable for violation by banks, branches of banks that are non-residents of the Republic of Kazakhstan of macroprudential standards and limits.

3. A bank or branch of a bank that is a non-resident of the Republic of Kazakhstan shall submit reports on compliance with macroprudential standards and limits to the National Bank of the Republic of Kazakhstan in accordance with the regulatory legal acts of the National Bank of the Republic of Kazakhstan.

Article 74. Provisions (reserves)

1. To ensure an appropriate level of control and reliability of its activities in accordance with the nature and scale of the operations carried out, a bank or branch of a bank that is a non-resident of the Republic of Kazakhstan shall be required to create provisions (reserves) in accordance with international financial reporting standards.

2. The assessment of the sufficiency of provisions (reserves) created by a bank or a branch of a bank that is a non-resident of the Republic of Kazakhstan shall be carried out by the authorized body for compliance with, observance and application of international financial reporting standards, including using reasoned judgment.

Article 75. Accounting and reporting of a bank, branch of a bank – non-resident of the Republic of Kazakhstan

1. A bank with a universal banking license, a bank with a basic banking license, and an Islamic bank shall submit financial and other statements, including financial and other statements on a consolidated basis, to the National Bank of the Republic of Kazakhstan in accordance with the regulatory legal acts of the National Bank of the Republic of Kazakhstan.

2. A branch of a bank that is a non-resident of the Republic of Kazakhstan shall submit reports on accounting data and other reports to the National Bank of the Republic of Kazakhstan in accordance with the regulatory legal acts of the National Bank of the Republic of Kazakhstan.

3. A bank or a branch of a bank that is a non-resident of the Republic of Kazakhstan shall record transactions and events in accordance with the Law of the Republic of Kazakhstan "On Accounting and Financial Reporting" and international financial reporting standards.

4. A bank or branch of a bank that is a non-resident of the Republic of Kazakhstan shall be obliged to provide, upon request from the authorized body and the National Bank of the Republic of Kazakhstan, any information about its funds, including those located outside the Republic of Kazakhstan, the amount of deposits accepted and loans provided, banking operations carried out and being carried out, and other information, including information constituting a banking secret.

5. For the purposes of supervision, early identification of risks, and secure exchange of information, a bank or branch of a bank that is a non-resident of the Republic of Kazakhstan shall ensure the formation, maintenance, and updating of a data mart on its information and communications infrastructure, as well as the provision of access to the data mart to the authorized body in the cases, manner, timeframes, and formats determined by the regulatory legal acts of the authorized body.

The data display shall contain information on banking and other transactions, including the loan portfolio, large depositors, large payments, large money transfers, large cash withdrawal transactions, and other information, the list of which is established by the regulatory legal act of the authorized body.

When creating, storing, and providing access to a data mart, a bank, a branch of a non-resident bank of the Republic of Kazakhstan, and other persons who have received access to the data mart are obliged to ensure the protection of personal data and the preservation of banking secrecy in accordance with the laws of the Republic of Kazakhstan.

Article 76. Reporting of major participants in the bank and bank holdings

1. A major participant in a bank or a banking holding company shall submit financial and other reports to the National Bank of the Republic of Kazakhstan in accordance with the regulatory legal acts of the National Bank of the Republic of Kazakhstan.

2. A major participant in a bank - an individual who is a resident of the Republic of Kazakhstan in accordance with the tax legislation of the Republic of Kazakhstan, in addition to the reporting provided for in paragraph 1 of this article, shall, within five working days from the date of submission of the income and property declaration to the tax authority, submit to the authorized body a copy of it with confirmation of submission of the declaration to the tax authority.

Article 77. Storage of documents

1. A bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, or an organization that carries out certain types of banking operations shall be required to ensure the recording and storage of documents used in accounting when preparing reports.

2. The list of main documents subject to storage and the periods of their storage shall be established by the regulatory legal act of the authorized body.

Article 78. Supervisory response measures

1. To protect the rights and legitimate interests of depositors, other creditors, clients and correspondents of the bank, to ensure the financial stability of the bank and/or banking conglomerate, to prevent the deterioration of their financial position and the increase of risks associated with banking activities, the authorized body applies supervisory response measures to the bank, banking holding company, their executives, organizations that are part of the banking conglomerate, major participants of the bank, persons possessing the characteristics of a major participant of the bank or banking holding company.

2. The grounds for applying supervisory response measures shall be:

1) violation of the legislation of the Republic of Kazakhstan on issues within the competence of the authorized body;

2) deficiencies and/or risks in the activities of a bank or organizations that are part of a banking conglomerate, identified by the authorized body in the context of exercising control and supervision functions, including through the use of reasoned judgment, which may lead to the creation of a situation that threatens the stable functioning of the bank and/or the interests of its depositors, and/or other creditors, and/or clients, and/or correspondents, and/or the stability of the banking system;

3) identification of illegal actions (inaction) of the management of a bank or banking holding company that may threaten their stable functioning and/or the interests of their depositors and/or other creditors, and/or clients, and/or correspondents;

4) sufficient data to recognize the actions (inactions) of the executive (executives) as not complying with the requirements of the legislation of the Republic of Kazakhstan on issues within the competence of the authorized body, and/or indicating damage to the bank and/or its depositors, and/or other creditors, and/or clients, and/or correspondents;

5) the commission of actions (inactions) by a person possessing the characteristics of a major participant in a bank or a bank holding company, as well as by a major participant in a bank (including organizations over which a major participant has control), a bank holding company or organizations that are part of a banking conglomerate, as a result of which damage has been or may be caused to the bank;

6) the unstable financial position of persons possessing the characteristics of a major participant in a bank or banking holding company, as well as major participants in a bank (including organizations over which a major participant in a bank has control), a banking holding company, or organizations that are part of a banking conglomerate;

7) failure to implement supervisory response measures applied in accordance with this Law;

8) failure to submit to the authorized body or the National Bank of the Republic of Kazakhstan, or provision of false reports or information, as well as other information requested by the authorized body or the National Bank of the Republic of Kazakhstan;

9) obstruction by a bank, a banking holding company, organizations that are part of a banking conglomerate, or major participants in a bank, of the conduct of an inspection, which made it impossible to conduct it within the established timeframe;

10) failure by a bank, a banking holding company, or an organization in which the bank and/or banking holding company are major participants to eliminate deficiencies that affect the financial condition of the bank or banking conglomerate, as specified in the report and recommendations of the audit organization, within the timeframes specified in paragraph 6 of Article 82 of this Law;

11) failure to fulfill or improper fulfillment by the bank of obligations to pay mandatory contributions and/or other payments to the financial ombudsman service;

12) failure of the bank to comply with the decision of the financial ombudsman within the time period established by this decision;

13) failure to make or improper making by the bank of mandatory monetary contributions to compensate (cover) losses (funds) that arose (were used) as a result of the bank's settlement in accordance with the provisions of Article 100 of this Law;

14) cases provided for in paragraph 1 of Article 81 of this Law.

3. When determining the appropriateness of applying supervisory response measures and selecting a supervisory response measure, the following shall be taken into account:

1) the level of risk, the nature of violations and/or deficiencies and their consequences;

2) the scale and significance of the violations and/or deficiencies committed and their consequences;

3) the systematic nature and duration of violations and/or deficiencies;

4) the impact of the violations and/or deficiencies on the financial condition;

5) the ability to correct the situation as a result of applying the selected supervisory response measure;

6) the presence and effectiveness (efficiency) of previously applied supervisory response measures;

7) the adequacy of the supervisory response measure applied to the grounds for its application;

8) the reasons that led to the occurrence of the identified violations, deficiencies and/or risks;

9) the adoption by a bank, a banking holding company, organizations that are part of a banking conglomerate, or a major participant in a bank of independent measures aimed at eliminating violations and/or deficiencies identified in activities, the effectiveness of the

implementation (non-implementation) in connection with the implementation of specific measures to implement the measures taken and/or the willingness to take such measures.

4. The authorized body applies the following supervisory response measures:

1) advisory supervisory response measures in accordance with Article 79 of this Law;

2) measures to improve the financial condition and/or minimize risks in accordance with Article 80 of this Law;

3) compulsory supervisory response measures in accordance with Article 81 of this Law.

5. The authorized body shall have the right to apply to a bank, a banking holding company, organizations that are part of a banking conglomerate, major participants in a bank, or persons possessing the characteristics of a major participant in a bank or banking holding company, any of the supervisory response measures specified in paragraph 4 of this article, regardless of the supervisory response measures previously applied to them.

6. The provisions of this article shall apply to branches of banks that are non-residents of the Republic of Kazakhstan and organizations that carry out certain types of banking operations.

7. The National Bank of the Republic of Kazakhstan shall apply to 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 to legal entities whose exclusive activity is the collection of banknotes, coins and valuables, the supervisory response measures provided for in subparagraphs 1) and 2) of paragraph 4 of this article.

Article 79. Recommended supervisory response measures

1. The authorized body shall apply advisory supervisory response measures in cases where deficiencies, risks, or violations identified in the activities of a bank, banking conglomerate, and/or organizations that are part of a banking conglomerate, banking holding company, or a major participant in a bank, including through the use of reasoned judgment, shall not have a significant impact on the financial stability of the bank and/or banking conglomerate, shall not create a threat to their financial position and/or the interests of depositors, other creditors, clients, and correspondents of the bank.

2. Recommended supervisory response measures shall include:

1) notification of identified deficiencies, risks or violations, with the dissemination (if necessary, as determined by the authorized body) of this information to individual bodies of the bank, an organization that is part of a banking conglomerate, a major participant in the bank, or a banking holding company;

2) submission of recommendations from the authorized body to eliminate identified deficiencies, risks or violations;

3) a warning about the possibility of applying other supervisory response measures in the event of repeated identification by the authorized body of deficiencies, risks or violations, as well as failure to implement recommended supervisory response measures.

3. The advisory supervisory response measure shall be formalized by a letter from the authorized body.

4. The provisions of this article shall apply to branches of banks that are non-residents of the Republic of Kazakhstan and organizations that carry out certain types of banking operations.

Article 80. Measures to improve the financial situation and/or risk minimization

1. The authorized body, to eliminate deficiencies, risks and/or violations, including those identified using reasoned judgment, shall apply measures to improve the financial condition and/or minimize the risks of the bank, a major participant in the bank, a banking holding company, a banking conglomerate and/or organizations that are part of a banking conglomerate, as well as persons possessing the characteristics of a major participant in the bank or banking holding company, by submitting requirements for:

1) ensuring compliance of their activities with the legislation of the Republic of Kazakhstan;

2) suspension and/or restriction of the implementation of certain types of banking activities, the execution of certain transactions, or the establishment of a special procedure for their implementation;

3) reducing costs, including through:

termination or restriction of additional hiring of employees;

closure of individual branches, representative offices, and subsidiaries;

restrictions on monetary rewards and other types of material incentives for executives;

4) suspension and/or restriction of investments in certain types of assets or establishment of a special procedure for their implementation;

5) formation (additional formation) of provisions (reserves) in accordance with international financial reporting standards;

6) recognition of an individual or organization as a person associated with a bank or banking holding company through special relations;

7) a change in the terms of a transaction concluded on preferential terms with a person connected with a bank or banking holding company by special relations, to terms similar to the terms of similar transactions with third parties concluded on the date of the transaction with preferential terms;

8) limiting transactions with persons associated with the bank or banking holding company through special relationships;

9) termination of accrual and/or payment of dividends on common and/or preferred shares , and/or remuneration on perpetual and/or subordinated financial instruments;

10) revision of internal policies and procedures, limits on the acceptable size of risks, procedures for assessing the effectiveness of the risk management system and internal control ;

11) suspension from the performance of official duties of persons specified in Article 45 of this Law and/or the regulatory legal act of the authorized body establishing the procedure for the formation of a risk management and internal control system, including in the event of suspension by a bank, a bank holding company, or a bank - non-resident of the Republic of Kazakhstan of persons specified in Article 45 of this Law from the performance of official duties until the application of this supervisory response measure by the authorized body. When this supervisory response measure is applied to an executive, the authorized body shall deprive consent to the appointment (election) to the position of executive.

From the day following the day on which a bank, a bank holding company, or a branch of a bank – a non-resident of the Republic of Kazakhstan – receives a written notice from the authorized body on the application of a supervisory response measure to remove the persons specified in Article 45 of this Law, all subsequent decisions of the collegial body with the participation of the removed person shall be considered invalid;

12) conducting an assessment of the value of property belonging to a major participant in the bank and/or a banking holding company;

13) elimination of the causes and/or conditions that contributed to the violation of the rights and legitimate interests of depositors and/or other creditors, and/or clients, and/or correspondents of the bank;

14) elimination of deficiencies affecting the financial stability of the bank or banking conglomerate, indicated in the audit report and/or recommendations of the audit organization;

15) reduction (alienation) by the bank of its shares, equity interests, stakes or other forms of equity participation in a subsidiary organization or organization in which the bank has a significant equity stake, and/or termination of control over the specified organizations.

2. The measures provided for in paragraph 1 of this article shall be applied in the form of a written order or written agreement.

3. A written order is an instruction to a bank, a banking holding company, organizations that are part of a banking conglomerate, or a major participant in a bank to take mandatory measures established by paragraph 1 of this article.

A written order may contain a requirement to submit, within the time period established by the authorized body, an action plan for the implementation of the requirements of the authorized body established by paragraph 1 of this article (hereinafter referred to as the Action plan).

The action plan shall include a description of the deficiencies, risks or violations, the reasons that led to their occurrence, a list of planned activities, the timeframe for their implementation, and the responsible management personnel.

4. A written agreement is an agreement concluded in writing between the authorized body and a bank or banking holding company, or organizations that are part of a banking conglomerate, or a major participant in a bank, on the implementation of the measures established by paragraph 1 of this article, indicating the timeframes for eliminating the

identified deficiencies, risks and/orviolations, and/or a list of restrictions that the specified persons undertake to comply with until the identified deficiencies, risks and/or violations are eliminated.

The written agreement shall be signed by the bank, the banking holding company, organizations that are part of the banking conglomerate, and/or a major participant in the bank .

5. A bank, a banking holding company, an organization that is part of a banking conglomerate, or a major participant in a bank shall be required to notify the authorized body of the implementation of the measures specified in the written order, action plan, and/or written agreement within the timeframes specified in these documents.

6. If it is not possible to correct the violation within the timeframes established in the written order, action plan and/or written agreement, for reasons beyond the control of the bank, banking holding company, organization that is part of a banking conglomerate, or a major participant in the bank, the timeframe for executing the written order, action plan and/ or written agreement may be extended until the date established by the authorized body.

7. The provisions of this article shall apply to branches of banks that are non-residents of the Republic of Kazakhstan and organizations that carry out certain types of banking operations.

Article 81. Compulsory supervisory response measures

1. The authorized body shall apply compulsory supervisory response measures to persons possessing the characteristics of a major participant in a bank or banking holding company, as well as major participants in a bank, banking holding company, and organizations that are part of a banking conglomerate, in the following cases:

1) provided for in paragraph 8 of Article 9 and paragraph 6 of Article 82 of this Law;

2) if the application of other supervisory response measures cannot ensure the protection of the legitimate interests of depositors, other creditors, clients and correspondents of the bank, the financial stability of the bank and/or banking conglomerate, or the minimization of risks associated with the activities of the bank or banking holding company;

3) if the actions (inaction) of a bank holding company and/or a major participant in the bank may lead to a further deterioration in the financial position of the bank or bank holding company.

2. In the presence of cases stipulated by paragraph 1 of this article, the authorized body shall have the right to:

1) to demand from a person possessing the characteristics of a major participant, as well as from a major participant in a bank, a reduction in the share of his direct or indirect ownership to a level below ten percent of voting shares;

2) demand from a person possessing the characteristics of a bank holding company, as well as from a bank holding company, a reduction in the share of its direct or indirect

ownership to a level below twenty-five percent of the voting shares of the bank and suspend the implementation of transactions between them and the bank that expose the bank to risk;

3) demand that the banking holding company, in relation to organizations in which the banking holding company is a shareholder (participant), as well as organizations that are part of the banking conglomerate, suspend the implementation of transactions between them that expose the banking holding company or organizations that are part of the banking conglomerate to risk;

4) demand from a person possessing the characteristics of a banking holding company, as well as a banking holding company, the alienation of their share of ownership or the elimination of characteristics of control over subsidiaries or organizations in whose capital they have a significant participation;

5) demand that organizations that are part of a banking conglomerate suspend transactions between them and their affiliates that expose organizations that are part of a banking conglomerate to risk;

6) in order to increase the equity capital of a bank or banking conglomerate in an amount sufficient to ensure the financial stability of the bank or banking conglomerate, require that a bank holding company or a major participant in the bank take measures to additionally capitalize the bank or banking conglomerate.

Article 82. Audit of a bank, banking holding company and organizations, part of a banking conglomerate

1. The bank audit shall be carried out by an audit organization authorized to conduct an audit in accordance with the legislation of the Republic of Kazakhstan on auditing activities.

2. Conducting an audit at the end of the financial year shall be mandatory for banks (except for a bank that has been deprived of a banking license on implementation of all types of operations or is in the process of voluntary or forced liquidation), organizations in which the bank is a major participant, and banking holdings.

Separate and consolidated (if the bank has subsidiaries) annual financial statements of the bank and the banking holding company shall be certified by an audit organization authorized to conduct audits of banks.

The bank and its banking holding company shall be audited by the same audit firm. The audit of organizations resident in the Republic of Kazakhstan in which the bank is a major participant shall be performed by the same audit firm.

3. A bank holding company that is a non-resident of the Republic of Kazakhstan shall submit to the National Bank of the Republic of Kazakhstan a copy of the audit report and recommendations of the audit organization in Kazakh or Russian.

4. Bank audits shall be conducted to establish:

timeliness, completeness and accuracy of reflection of completed banking activities in accounting and reporting;

compliance of the banking activities carried out with the requirements of this Law and other legislation of the Republic of Kazakhstan;

compliance of the banking activities carried out with the general conditions for carrying out banking activities, as well as compliance of the procedure for carrying out banking activities with other internal documents of the bank.

5. The audit organization shall present the results of the audit and its conclusions in a report submitted to the board of directors and the management board of the bank and, if necessary, as determined by the bank, to another organization that is part of the banking conglomerate.

The audit report of the financial statements of a bank or other organizations that are part of a banking conglomerate shall not constitute a commercial secret.

6. If a bank, a bank holding company, or an organization in which the bank and/or the bank holding company are major participants fails to eliminate deficiencies that affect the financial condition of the bank or banking conglomerate, as specified in the audit report and/or recommendations of the audit organization, within the period established by the authorized body, the authorized body shall have the right to apply, until the deficiencies are eliminated, to:

the bank – measures to improve the financial condition and/or minimize risks provided for in Article 80 of this Law;

the bank holding company, or an organization in which the bank and/or the bank holding company are major participants – compulsory supervisory response measures provided for in paragraph 2 of Article 81 of this Law.

7. If a deviation is detected in the opinion and conclusions on the financial statements and/or other information related to the financial statements, in terms of the recognition of assets, liabilities and contingent liabilities of banks, bank holding companies and organizations in which the bank and/or bank holding company are major participants, set out in the audit report, from the results of the audit conducted by the authorized body, the authorized body shall have the right to request an explanation from the audit organization of the reasons for such deviation.

8. A branch of a bank that is a non-resident of the Republic of Kazakhstan shall be obliged to submit to the authorized body a copy of the audit report of the financial statements of the bank that is a non-resident of the Republic of Kazakhstan for the financial year and the recommendations of the audit organization in Kazakh or Russian within ten working days after their submission by the audit organization to the bank that is a non-resident of the Republic of Kazakhstan.

9. In the event that risks and deficiencies in the bank's activities are identified, the authorized body shall have the right to require it to conduct an audit of other information in relation to the assessment of the risk management and internal control system, including in relation to the development strategy and business model, the assessment of the corporate

governance system, the assessment of the information technology risk management system, the assessment of the effectiveness of the information security system, as well as the effectiveness of the internal control system in the area of combating the legalization (laundering) of proceeds from crime, the financing of terrorism and the financing of the proliferation of weapons of mass destruction (hereinafter referred to as the Audit of other information), indicating the list of issues subject to verification, the audit period and the deadline for the audit organization to submit the audit report on the audit of other information to the authorized body.

Conducting an audit of other information at the request of the authorized body shall be mandatory for banks.

The Bank shall conduct an audit of other information no more than once a year; on one issue, an audit of other information shall be conducted no more than once every three years, except for the case provided for in paragraph 11 of this article.

The list of issues subject to verification within the framework of the audit of other information, requirements for the content, deadlines for the submission by the audit organization of the audit report on the audit of other information, requirements for auditors as part of the audit organization involved in the audit of other information, shall be established by regulatory legal acts of the authorized body in agreement with the authorized state body that regulates auditing activities and state control in the field of auditing activities and the activities of professional audit organizations.

The audit plan for other information, with a description of the proposed areas, scope, nature of the audit, features, methods and standards used in the audit, is subject to prior approval by the audit organization with the authorized body.

The audit report on the audit of other information shall be submitted by the audit organization to the authorized body and shall not be subject to publication.

The results of the audit of other information may be taken into account by the authorized body when applying supervisory response measures.

10. To carry out an audit or an audit of other information, a bank, an organization in which the bank is a major participant, or a banking holding company shall engage an audit organization that meets the minimum requirements for audit organizations that conduct mandatory audits of financial organizations, developed by the authorized state body that regulates auditing activities and exercises state control over auditing activities and the activities of professional organizations.

A bank, an organization in which the bank is a major stakeholder, or a banking holding company shall notify the authorized body of its choice of audit firm no later than ten business days after concluding an audit agreement or an audit of other information. In the case of an audit of other information, the bank shall have the right to request that the authorized body conduct an audit of the other information by a non-audit organization using a method other than an audit.

The bank's application shall be considered by the authorized body within five working days.

The requirements for the procedure for conducting an audit of other information established by this article shall apply to the procedure for conducting a check of other information by a method other than an audit.

The authorized body shall have the right, before the issuance by the audit organization of the audit report and/or the auditor's opinion on the audit of other information, to provide the audit organization, taking into account the confidentiality requirements, with information and comments on the results of audits of the persons specified in the first part of paragraph 2 of this article, as well as other information related to the activities of the bank, an organization in which the bank is a major participant, a banking holding company, including information based on the reasoned judgment of the authorized body, including information constituting a banking and/or commercial secret, without the consent of the persons specified in the first part of paragraph 2 of this article.

The audit firm shall conduct a mandatory assessment and analysis of the information submitted by the authorized body in accordance with Part Five of this paragraph. The results of this assessment and analysis shall be used by the audit firm in expressing its opinion and conclusions contained in the audit report or auditor's opinion on the audit of other information .

11. If the court finds the audit report and/or the auditor's opinion on the audit of other information invalid, the bank, bank holding company, or organization in which the bank and/ or bank holding company are major participants shall be obliged to conduct the audit and/or the audit of other information again.

12. The authorized body shall have the right to request that the audit firm that conducted the audit and/or audit of other information of the bank provide information, including information constituting a commercial secret, including a list of clients. Client information shall be provided with the consent of the audit firm's clients.

13. The provisions provided for in paragraphs 9, 10, 11 and 12 of this article shall apply to branches of banks that are non-residents of the Republic of Kazakhstan and organizations that carry out certain types of banking operations.

Article 83. Suspension or deprivation of a banking license

1. The authorized body shall have the right to decide to suspend or deprive the banking license of a bank or branch of a bank that is a non-resident of the Republic of Kazakhstan to carry out all or certain types of operations, regardless of the supervisory response measures previously applied to them, on any of the following grounds:

1) establishing the inaccuracy of the data (information) based on which the banking license was issued;

2) failure to comply in the course of activities of a bank or branch of a bank – non-resident of the Republic of Kazakhstan with the requirements of paragraphs 3, 4, 5 and/or 20 of Article 19 of this Law;

3) systematic (three or more times within twelve consecutive calendar months) violation of the legislation of the Republic of Kazakhstan on issues within the competence of the authorized body or the National Bank of the Republic of Kazakhstan, or systematic (three or more times within twelve consecutive calendar months) failure to implement supervisory response measures applied by the authorized body;

4) failure to comply with the requirements for disclosure of rules on the general conditions for carrying out banking activities, established by paragraph 4 of Article 52 of this Law;

5) violation of the prohibition established by Article 50 of this Law on the provision of preferential conditions to persons associated with a bank or branch of a bank that is a non-resident of the Republic of Kazakhstan through special relations;

6) non-compliance of the risk management and internal control system with the requirements of the authorized body;

7) carrying out banking activities that go beyond the legal capacity established by this Law and/or the bank's charter, the regulations on the branch of a bank that is a non-resident of the Republic of Kazakhstan and/or a banking license;

8) implementation of investment or other entrepreneurial activities not provided for by this Law;

9) failure to carry out activities in accordance with the banking license for twelve consecutive calendar months;

10) adoption by the court of a decision to terminate the activities of a bank or branch of a bank that is a non-resident of the Republic of Kazakhstan;

11) failure of a bank holding company or a major participant in a bank to comply with the requirements of the authorized body to increase the bank's equity capital, as well as the requirements presented in accordance with paragraph 2 of Article 81 of this Law;

12) suspension or deprivation by the financial supervisory authority or the court of the state of which the bank - non-resident of the Republic of Kazakhstan is a resident, of the license (permit) of the bank - non-resident of the Republic of Kazakhstan to carry out all or certain types of operations similar in essence to the types of operations carried out by a branch of the bank - non-resident of the Republic of Kazakhstan on the territory of the Republic of Kazakhstan;

13) adoption by the court of the state of which the bank – non-resident of the Republic of Kazakhstan is a resident, of a decision on the forced liquidation (termination of activities) of the bank – non-resident of the Republic of Kazakhstan;

14) in the cases provided for in subparagraph 2) of paragraph 1 of Article 99 of this Law;

15) failure to comply with the requirements provided for in subparagraphs 1) and/or 2) of part one of paragraph 3 of Article 6 of this Law.

2. For the purposes of this article, a banking license also refers to a license to carry out certain types of banking operations and/or an appendix to the specified license.

The National Bank of the Republic of Kazakhstan shall have the right to decide to suspend or deprive the banking license of a legal entity whose exclusive activity is the collection of banknotes, coins and valuables, and a legal entity operating exclusively through exchange offices, regardless of the supervisory response measures previously applied to them on any of the following grounds:

1) establishing the inaccuracy of the information based on which the banking license was issued;

2) failure to comply in the course of activities of a legal entity whose exclusive activity is the collection of banknotes, coins and valuables, and a legal entity operating exclusively through exchange offices, with the requirements of Article 45 of this Law and Article 9-4 of the Law of the Republic of Kazakhstan "On State Regulation, Control and Supervision of the Financial Market and Financial Organizations";

3) systematic (three or more times within twelve consecutive calendar months) violation of the legislation of the Republic of Kazakhstan on issues within the competence of the National Bank of the Republic of Kazakhstan, or systematic (three or more times within twelve consecutive calendar months) failure to implement supervisory response measures applied by the National Bank of the Republic of Kazakhstan;

4) failure of a legal entity operating exclusively through exchange offices, or a legal entity whose exclusive activity is the collection of banknotes, coins and valuables, to carry out activities in accordance with a banking license for twelve consecutive calendar months;

5) non-compliance of a legal entity operating exclusively through exchange offices, a legal entity whose exclusive activity is the collection of banknotes, coins and valuables, with the qualification requirements imposed on the activity of carrying out exchange transactions with foreign currency in cash exclusively through exchange offices and the collection of banknotes, coins and valuables;

6) obstruction by a legal entity operating exclusively through exchange offices, by a legal entity whose exclusive activity is the collection of banknotes, coins and valuables, or the exercise of control and supervision by the National Bank of the Republic of Kazakhstan.

3. A bank or branch of a bank that is a non-resident of the Republic of Kazakhstan (except for an Islamic bank or branch of an Islamic bank that is a non-resident of the Republic of Kazakhstan) that is not a participant in the mandatory deposit insurance system shall be deprived of a banking license to accept deposits, open and maintain bank accounts for individuals.

4. When determining the advisability of suspending or deprivation a banking license on implementation of all or certain types of operations, the following shall be taken into account:

1) the level of risk, the nature of violations and/or deficiencies and their consequences;

2) the scale and significance of the violations and/or deficiencies committed and their consequences;

3) the systematic nature and duration of violations and/or deficiencies;

4) the impact of the violations and/or deficiencies on the financial condition;

5) the reasons that led to the occurrence of the identified violations and/or deficiencies;

6) the adoption by the bank of independent measures aimed at eliminating deficiencies, risks or violations identified in its activities;

7) the possibility of applying settlement instruments to the bank.

5. The decision to suspend or deprive a bank or a branch of a bank that is a non-resident of the Republic of Kazakhstan from a banking license on implementation of all or certain types of operations shall come into effect on the date of its adoption by the authorized body.

The validity of a banking license on implementation of all or certain types of operations shall be considered suspended from the date of communication of such decision to the bank or branch of a bank that is a non-resident of the Republic of Kazakhstan.

6. Information on the decision taken to suspend or deprive a bank or branch of a bank, a non-resident of the Republic of Kazakhstan of a banking license, on implementation of all or certain types of operations shall be posted on the Internet resource of the authorized body, the National Bank of the Republic of Kazakhstan, within the limits of their competence, in the Kazakh and Russian languages.

7. The decision of the authorized body to deprive a bank’s banking license on implementation of all types of operations may only be appealed on behalf of the bank by its shareholders in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

A bank that has been deprived of a banking license on implementation of all types of operations shall not have the right to carry out banking activities and/or other entrepreneurial activities, except for the cases established by subparagraph 1) of paragraph 1 of Article 84 of this Law.

8. The decision of the authorized body to deprive the banking license of a branch of a bank that is a non-resident of the Republic of Kazakhstan to carry out all types of operations may only be appealed by a bank that is a non-resident of the Republic of Kazakhstan on behalf of the branch of the bank that is a non-resident of the Republic of Kazakhstan in the manner established by the legislation of the Republic of Kazakhstan.

A branch of a bank that is a non-resident of the Republic of Kazakhstan, deprived of a banking license on implementation of all types of operations, shall not have the right to carry out banking activities and/or other entrepreneurial activities on the territory of the Republic of Kazakhstan, except for the cases established by paragraph 1 of Article 84 of this Law.

9. Termination of a banking license on implementation of all types of operations shall be carried out on the grounds provided for by the Law of the Republic of Kazakhstan "On

Permits and Notifications", when issuing a permit to a bank for voluntary liquidation, a permit to a branch of a bank - a non-resident of the Republic of Kazakhstan for voluntary termination of activities.

10. The provisions of paragraph 1 of this article applicable to banks shall apply to organizations carrying out certain types of banking operations, except for legal entities whose exclusive activity is the collection of banknotes, coins and valuables, and legal entities operating exclusively through exchange offices.

The provisions provided for in paragraphs 3, 5, 6, 7 and 9 of this article shall apply to all organizations carrying out certain types of banking operations.

Article 84. Consequences of deprivation of a banking license on the implementation of all types of operations

1. From the date of deprivation of the banking license on the implementation of all types of operations:

1) all operations on the bank accounts of clients and the bank itself shall be terminated, except in cases related to:

expenses provided for by the regulatory legal acts of the authorized body;

crediting of funds received in favor of the bank;

return of money received and being received in favor of persons whose bank accounts have been closed, as well as money received and being received based on erroneous instructions;

execution of instructions for the transfer of money received by the bank after the bank's banking license has been deprived, provided that the person giving such instructions and the person in whose favor the transfer is made have no debt to the bank or that the specified persons have repaid any existing debt to the bank;

2) the founders (participants) and the bank's bodies shall not have the right to dispose of the bank's property;

3) executives and, if necessary, other employees of the bank shall be subject to suspension from the performance of their work duties, dismissal or early termination of their powers in the manner determined by the legislation of the Republic of Kazakhstan;

4) creditors' claims against the bank may be presented only in liquidation proceedings, except for claims related to current expenses for the maintenance of the bank;

5) the collection of money from the bank's bank accounts based on the demands of creditors, state revenue authorities, including those subject to satisfaction in an uncontested (non-acceptance) manner, as well as the foreclosure of the bank's property, shall be prohibited ;

6) shareholders of the bank shall be prohibited from alienating the bank's shares that they own;

7) the execution of court decisions taken in relation to the bank shall be suspended;

8) obligations to repay the principal debt, remuneration and penalties (fines, late fees) shall be fulfilled by the bank's debtors in accordance with concluded bank loan agreements and other types of transactions;

9) the obligations of a bank that is a clearing participant for transactions with financial instruments concluded in the trading systems of trade organizers using the open trading method and/or with the participation of a central counterparty shall be fulfilled by the clearing organization (central counterparty), including through the full use by the clearing organization (central counterparty) of financial instruments that are full or partial collateral for obligations under transactions for which clearing activities shall be carried out, margin contributions, contributions to the guarantee funds of the clearing organization (central counterparty) in the manner established by the regulatory legal act of the authorized body and the internal documents of this clearing organization (central counterparty);

10) all transactions concluded on behalf of and at the expense of the bank by its shareholders, bank bodies, bank executives or other persons, except for the temporary administration appointed after the bank has been deprived of its banking license on implementation of all types of operations, shall be recognized as invalid.

2. After the bank's license for the implementation of all types of operations is deprived, the authorized body shall appoint a temporary administration to the bank.

The powers of the previously operating bank bodies shall be suspended.

A temporary administration shall be appointed after the bank's banking license on implementation of all types of operations is deprived by an authorized body from among its employees and/or representatives of the organization implementing mandatory deposit guarantees, and/or other persons who meet the minimum requirements established by Article 9-4 of the Law of the Republic of Kazakhstan "On State Regulation, Control and Supervision of the Financial Market and Financial Organizations."

3. The temporary administration appointed after the bank's banking license on implementation of all types of operations has been deprived, shall have the right to:

1) independently make decisions on all matters related to the bank's activities;

2) sign any agreements and documents on behalf of the bank, file claims on behalf of and in the interests of the bank;

3) issue orders, including orders on dismissal, demotion or temporary suspension from office, and determining the duties of bank employees;

4) offset similar counterclaims, except for offsetting claims that arose against the bank from an agreement on the assignment of rights (requirements);

5) carry out actions aimed at ensuring the safety of the bank's property.

4. The temporary administration appointed after the bank's banking license on implementation of all types of operations has been deprived, shall not have the right to:

1) carry out expenditure transactions, except for the cases provided for in paragraph 1 of this article;

2) change the terms of agreements previously concluded by the bank, except for changes made by agreement of the parties that do not worsen the financial position of the bank.

5. The authorized body, within ten working days from the date of deprivation of the bank’s banking license on implementation of all types of operations, shall apply to the court with an application for the forced liquidation of the bank in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

6. The temporary administration appointed after the deprivation of a bank's banking license on implementation of all types of operations, for transactions concluded by the bank within three years before the date of deprivation of the bank's banking license, shall have the right to apply, including at the request of creditors, to the court with an application to recognize the transactions as invalid if there are grounds for invalidity of the transactions provided for by the Civil Code of the Republic of Kazakhstan, the laws of the Republic of Kazakhstan and/or paragraph 2 of Article 122 of this Law.

The provisions of paragraphs 3, 4, 5 and 6 of Article 122 of this Law shall apply to the recognition of transactions as invalid within the framework of this paragraph.

7. The procedure for the appointment and activities of the temporary administration appointed after the deprivation of a bank's banking license on implementation of all types of operations, as well as the list, forms, terms and procedure for the provision of reports and other information to the authorized body by the temporary administration appointed after the deprivation of a bank's banking license on implementation of all types of operations, shall be determined by the regulatory legal acts of the authorized body.

Expenses associated with the activities of the temporary administration appointed after the bank’s banking license on implementation of all types of operations has been revoked, shall be covered by the money and/or other property of the bank that has been deprived of its banking license.

8. The temporary administration appointed after the bank’s banking license on implementation of all types of operations has been deprived, shall carry out its activities in accordance with this article during the period until the authorized body appoints a liquidation commission for the bank.

The temporary administration appointed after the bank's banking license on implementation of all types of operations has been deprived, shall resign its powers and transfer the bank's documents and property to the chairman of the bank's liquidation commission within a period of no more than one month from the date of appointment of the bank's liquidation commission.

The acceptance and transfer of documents and property of the bank from the temporary administration appointed after the bank's banking license on implementation of all types of operations has been deprived, to the chairman of the liquidation commission shall be formalized by an act, which shall be drawn up in four copies, one copy of which shall be sent to the authorized body, the other to the court that decided on the forced liquidation of the bank.

9. The provisions of Article 103 of this Law shall be applied for the purposes of the authorized body exercising control over the activities of the temporary administration appointed after the deprivation of a bank's banking license on implementation of all types of operations.

SECTION 6. STRENGTHENED SUPERVISION, RESTORATION OF FINANCIAL STABILITY AND SETTLEMENT OF THE BANK Chapter 13. GENERAL PROVISIONS ON STRENGTHENED SUPERVISION, RESTORATION OF FINANCIAL STABILITY AND SETTLEMENT OF THE BANK

Article 85. Signs of deteriorating financial stability of a bank

1. To protect the rights and legitimate interests of depositors, other creditors, clients and correspondents of the bank, to ensure the financial stability of the bank, to prevent the occurrence of insolvency or potential insolvency of the bank, to reduce the negative consequences of deterioration of the financial stability of the bank, as well as to reduce systemic risks, the authorized body shall identify financial, economic and other signs of deterioration of the financial stability of the bank, determined based on quantitative and qualitative indicators of the bank's activities.

2. Financial, economic and other signs of deterioration of the bank's financial stability are :

1) a reduction in the values of prudential standards and limits, including capital adequacy ratios and/or liquidity ratios established by the authorized body, as well as the values of macroprudential standards and limits established by the National Bank of the Republic of Kazakhstan;

2) failure of the bank to fulfill its monetary obligations to depositors and/or other creditors due to the absence or insufficiency of funds in the bank;

3) identification by the authorized body of facts (transactions), the reliable reflection of which in the financial and/or other reporting of the bank may lead to a violation by the bank of the capital adequacy ratios and/or the failure of the bank to fulfill its monetary obligations to its depositors and/or other creditors;

4) deficiencies and/or risks in the bank's activities identified by the authorized body in the context of exercising control and supervision functions, which may negatively affect the financial stability of the bank and/or the interests of depositors, other creditors, clients and correspondents of the bank and/or the stability of the banking system;

5) failure of the bank to implement the plan for restoring financial stability;

6) other signs of deterioration in the financial stability of the bank, established by the regulatory legal act of the authorized body.

The values of financial, economic and other signs of deterioration in the financial stability of a bank shall be established by a regulatory legal act of the authorized body.

3. Depending on the presence and significance of financial, economic and other signs of deterioration in the bank's financial stability, one of the following regimes may be applied to it:

1) enhanced supervision regime;

2) the regime of restoration of financial stability;

3) settlement regime.

The settlement regime shall be applied if the results of the assessment of the bank's viability, carried out in accordance with Article 91 of this Law, confirm the possibility and expediency of applying settlement instruments to the bank as compared to the forced liquidation of the bank.

4. The provisions of this article shall apply to branches of banks that are non-residents of the Republic of Kazakhstan, except for subparagraph 3) of part one of paragraph 3 of this article.

Article 86. Instruments that provide overall loss absorption (coverage) capacity

1. Instruments that provide the general ability to absorb (cover) losses include financial instruments that meet the following criteria:

1) the instrument is fully paid for;

2) the instrument is unsecured;

3) the instrument has a term of at least one year or the instrument is perpetual (without a set maturity date);

4) obligations under the instrument are not subject to early execution (early repayment), including at the request of creditors under this instrument;

5) obligations under an instrument are not subject to termination by set-off of counter-rights (requirements) if this interferes with the ability of the instrument to absorb (cover) losses in the settlement regime.

2. Instruments that provide the general capacity to absorb (cover) losses may not be paid for (purchased) using funds:

1) the National Bank of the Republic of Kazakhstan and its subsidiaries;

2) the bank that issued these instruments;

3) subsidiaries of the bank or organizations in which the bank has a significant shareholding.

3. The following instruments shall not include the general ability to absorb (cover) losses:

1) deposits that are subject to mandatory deposit guarantee;

2) demand deposits and deposits with a remaining maturity of less than one year;

3) liabilities on derivative financial instruments;

4) debt instruments with characteristics of derivative financial instruments, including structured debt instruments;

5) obligations arising from non-contractual relations, including obligations to pay taxes and other mandatory payments to the budget;

6) obligations, the satisfaction of claims for which occurs before the satisfaction of creditors of the eighth priority, established by Article 123 of this Law;

7) obligations that are not subject to compulsory restructuring in accordance with paragraph 4 of Article 96 of this Law;

8) other obligations that cannot be terminated early and/or converted into common shares of the bank in the settlement regime.

4. A systemically important bank shall be required to have a minimum level of instruments ensuring the general capacity to absorb (cover) losses, established by the authorized body, for the purposes of applying the settlement instruments provided for in Article 93 of this Law, in accordance with the settlement objectives established by paragraph 1 of Article 92 of this Law.

The minimum level of instruments ensuring the general capacity to absorb (cover) losses for systemically important banks, as well as the list and basic requirements for such instruments, shall be established by a regulatory legal act of the authorized body.

Chapter 14. ENHANCED SUPERVISION AND RESTORATION OF FINANCIAL STABILITY

Article 87. Enhanced supervision regime

1. The enhanced supervision regime refers to a special supervision procedure applied to a bank by decision of the authorized body to prevent deterioration of the bank's financial stability.

2. During the period of the enhanced supervision regime, in addition to the supervisory response measures provided for in Article 78 of this Law, the authorized body shall have the right to:

1) receive information, financial and other reports, including through a data mart, at individually determined intervals;

2) conduct an assessment (analysis) of the financial and property status of the bank, including by visiting the bank and/or involving appraisers, auditors and/or other specialized organizations, whose services are paid for (reimbursed) from the bank's funds;

3) analyze the bank's stability to unfavorable macroeconomic conditions;

4) require the bank to review and update the financial stability restoration plan in accordance with the bank's current financial position;

5) demand that the bank, major participants in the bank, and banking holdings take measures to improve the financial stability of the bank and/or banking conglomerate, including increasing the equity capital of the bank and/or banking conglomerate in an amount sufficient to ensure the financial stability of the bank and/or banking conglomerate;

6) demand that the bank and/or banking holding company suspend the implementation of certain types of operations and/or the execution of certain transactions with organizations in

whose capital the bank and/or banking holding company participates, as well as organizations that are part of a banking conglomerate, if such operations and/or transactions negatively affect (may affect) the financial stability of the bank, banking holding company and/or banking conglomerate;

7) demand that organizations that are part of a banking conglomerate suspend the implementation of certain types of operations and/or the execution of certain transactions with their affiliates, if such operations and/or transactions negatively affect (may affect) the financial stability of the bank and/or banking holding company, and/or banking conglomerate;

8) require the bank to improve corporate governance and/or the risk management and internal control system;

9) demand that the bank and/or banking holding company eliminate other grounds for applying the enhanced supervision regime to the bank.

3. The powers provided for in paragraph 2 of this article shall be applied by the authorized body in the form of a written order, taking into account the requirements established by paragraphs 3, 5 and 6 of Article 80 of this Law.

4. The decision of the authorized body to apply an enhanced supervision regime to a bank shall be communicated to the bank, major participants of the bank, bank holdings, and the National Bank of the Republic of Kazakhstan within three working days from the date of adoption of the specified decision and shall not be subject to distribution (disclosure) by the specified persons.

5. The bank, major participants in the bank, and bank holdings shall be obliged to take measures necessary (sufficient) to eliminate the reasons that were the basis for applying the enhanced supervision regime to the bank.

6. The enhanced supervision regime shall be terminated by decision of the authorized body when the grounds for its application are eliminated and the bank complies for six consecutive calendar months with the capital adequacy ratios and other prudential standards and limits established by the authorized body, as well as macroprudential standards and limits established by the National Bank of the Republic of Kazakhstan.

7. The provisions of this article shall apply to branches of banks that are non-residents of the Republic of Kazakhstan.

For the first part of this paragraph, major participants of a bank and bank holdings refer to the governing body of a bank that is a non-resident of the Republic of Kazakhstan and has a branch in the territory of the Republic of Kazakhstan.

Article 88. Plan for restoring the financial stability of the bank, a branch of a bank – non-resident of the Republic of Kazakhstan

1. The bank shall be obliged to have a plan for restoring financial stability if the authorized body applies a financial stability restoration regime to it.

The plan to restore the bank’s financial stability shall include:

1) measures to restore the financial stability of the bank, taken by the bank, major participants of the bank, banking holdings, sources of financing for these measures, including in the form of additional capitalization of the bank, the timeframe for their implementation;

2) assigning management personnel responsible for implementing measures to restore the bank's financial stability.

The plan for restoring the bank's financial stability shall be approved by the bank's management body and agreed upon with the bank's major participants and banking holdings.

2. A branch of a bank that is a non-resident of the Republic of Kazakhstan shall be required to have a plan for restoring financial stability if the authorized body applies a financial stability restoration regime to it.

The plan for restoring the financial stability of a branch of a non-resident bank of the Republic of Kazakhstan provides for:

1) measures to restore the financial stability of a branch of a bank - non-resident of the Republic of Kazakhstan, taken by a bank - non-resident of the Republic of Kazakhstan, sources of financing for these measures, including in the form of an increase in the size of assets of a branch of a bank - non-resident of the Republic of Kazakhstan, accepted as a reserve, the timeframe for their implementation;

2) assigning management personnel responsible for implementing measures to restore the financial stability of a branch of a bank that is a non-resident of the Republic of Kazakhstan.

The plan for restoring the financial stability of a branch of a bank that is a non-resident of the Republic of Kazakhstan shall be approved by the governing body of the bank that is a non-resident of the Republic of Kazakhstan.

3. The financial stability restoration plan shall be updated and sent by the bank or branch of a non-resident bank of the Republic of Kazakhstan to the authorized body for assessment of its effectiveness at least once a year, as well as in any of the following cases:

changes in the composition of major participants in the bank and/or bank holdings (applies to the bank);

changes in the types and/or scale of banking activities carried out, which may have a significant impact on the financial stability of a bank, a branch of a bank - a non-resident of the Republic of Kazakhstan and/or entails the need to amend the financial stability restoration plan for other reasons.

The authorized body shall evaluate the effectiveness of the financial stability restoration plan.

If there are comments and/or suggestions from the authorized body, the bank or branch of a non-resident bank of the Republic of Kazakhstan shall be obliged to finalize the plan for restoring financial stability.

4. The plan for restoring financial stability shall not provide for the use of public funds to restore the financial stability of a bank or branch of a bank that is a non-resident of the

Republic of Kazakhstan and may not provide for an implementation period exceeding twelve months.

The requirements for the content of the plan for restoring the financial stability of a bank or branch of a bank that is a non-resident of the Republic of Kazakhstan, the procedure and timeframes for its submission to the authorized body shall be established by the regulatory legal act of the authorized body.

Article 89. Regime for restoring financial stability

1. The financial stability restoration regime refers to a set of measures implemented by the bank, major bank participants, and bank holding companies by decision of the authorized body to restore the bank's financial stability, including restoring the adequacy of the bank's equity capital and liquidity, as well as preventing the application of a settlement regime or forced liquidation to the bank.

2. During the period of the financial stability restoration regime, in addition to the supervisory response measures provided for in Article 78 of this Law, the authorized body shall have the right to:

1) exercise the powers provided for in paragraph 2 of Article 87 of this Law;

2) demand the implementation of measures to change the structure of assets of the bank and/or organizations that are part of the banking conglomerate, including the sale and/or improvement of the quality of their assets;

3) demand changes to the organizational structure of the bank, including the replacement of the bank's management;

4) establish a special procedure for the execution by a bank, a banking holding company and/or organizations that are part of a banking conglomerate of certain types of operations and/or transactions, including the need for their prior approval by the authorized body.

3. The powers provided for in paragraph 2 of this article shall be applied by the authorized body in the form of a written order or written agreement, taking into account the requirements established by paragraphs 3, 4, 5 and 6 of Article 80 of this Law.

4. The decision of the authorized body to apply the financial stability restoration regime to the bank shall be communicated to the bank, major participants of the bank, bank holdings, the National Bank of the Republic of Kazakhstan, and the organization implementing mandatory deposit guarantees, within three working days from the date of adoption of the specified decision and shall not be subject to distribution (disclosure) by the specified persons .

5. From the date specified in the decision of the authorized body on the application of the financial stability restoration regime to the bank:

1) the bank shall independently begin to implement the financial stability restoration plan specified in paragraph 1 of Article 88 of this Law until such plan is updated in accordance with the requirements of paragraph 6 of this Article;

2) the bank shall suspend the adoption of decisions, as well as the execution of previously adopted decisions on the distribution of profits, the payment of dividends, the fulfillment of any financial obligations to major participants of the bank, bank holdings, as well as the payment of remuneration to the bank's executives, except for the payment of wages (except for bonuses and other incentive payments) and other guaranteed payments in cases established by the labor legislation of the Republic of Kazakhstan;

3) shareholders of the bank and persons owning derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is the voting shares of the bank, which do not have the status of a major participant in the bank or bank holding, shall be deprived of the right to vote at the general meeting of shareholders of the bank.

To hold a general meeting of shareholders of a bank in the financial stability restoration regime, a quorum shall be considered to be met if all shareholders and persons owning derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is the voting shares of the bank, having the status of a major participant in the bank or banking holding, are present at the general meeting of shareholders.

6. Within five working days from the date of the authorized body's decision to apply the financial stability restoration regime to the bank, the bank shall be obliged to submit for approval by the authorized body a financial stability restoration plan, updated taking into account the bank's current financial position.

The bank, major participants of the bank, and banking holdings, after approval by the authorized body of the updated plan for restoring financial stability, shall be obliged to immediately begin its implementation and notify the authorized body of the results of implementation within the timeframes established by the specified plan.

7. The authorized body shall apply supervisory response measures to the bank, major participants of the bank, and banking holding companies, as provided for in Article 78 of this Law, in any of the following cases:

1) failure to submit a plan for restoring financial stability to the authorized body in the manner specified in Article 88 or the first part of paragraph 6 of this article;

2) failure to implement the financial stability restoration plan within the timeframes established by it while the bank is in financial stability restoration regime.

8. The bank, major participants of the bank, and bank holdings, in the event of a violation of the financial stability restoration plan, shall be obliged, at the request of the authorized body, to take measures to correct the violations.

9. The authorized body shall have the right to appoint a temporary administration to manage the bank in the manner specified in Article 101 of this Law, in any of the following cases:

1) failure to implement or improper implementation by the bank, major participants of the bank, or banking holdings of the plan for restoring financial stability;

2) based on the results of the assessment (analysis) of the financial and property status of the bank, carried out in accordance with subparagraph 2) of paragraph 2 of Article 87 of this Law.

10. The temporary administration for the management of the bank (if appointed by the authorized body) or the bank (if a temporary administration for the management of the bank is not appointed), including at the request of creditors, for transactions concluded by the bank within three years before the date of commencement of the financial stability restoration regime, shall have the right to apply to the court with an application to recognize the transactions as invalid if there are grounds for invalidity of the transactions provided for by the Civil Code of the Republic of Kazakhstan, the laws of the Republic of Kazakhstan and/or paragraph 2 of Article 122 of this Law.

The provisions of paragraphs 3, 4, 5 and 6 of Article 122 of this Law shall apply to the recognition of transactions as invalid within the framework of the financial stability restoration regime.

11. The financial stability restoration regime shall be terminated by decision of the authorized body when the grounds for its application are eliminated, and the bank complies for six consecutive calendar months, with the capital adequacy ratios and other prudential standards and limits established by the authorized body, as well as macroprudential standards and limits established by the National Bank of the Republic of Kazakhstan.

12. The provisions of this article shall apply to branches of banks that are non-residents of the Republic of Kazakhstan.

For the first part of this paragraph, major participants of a bank and bank holdings refer to the governing body of a bank that is a non-resident of the Republic of Kazakhstan and has a branch in the territory of the Republic of Kazakhstan.

Chapter 15. SETTLEMENT REGIME

Article 90. The plan of bank settlement

1. The authorized body shall develop and, as necessary, update the settlement plan for a systemically important bank if a settlement regime is applied to the systemically important bank.

The authorized body shall have the right to develop and, as necessary, update settlement plans for banks that are not systemically important.

2. The bank's settlement plan shall include:

1) a list and analysis of possible scenarios for the application of settlement instruments;

2) types of critical banking and other operations that require continuous implementation;

3) measures taken in relation to the bank, major participants of the bank, bank holdings and/or organizations that are part of a banking conglomerate;

4) mechanisms for interaction between government agencies and the organization implementing mandatory deposit guarantees when applying the settlement regime to a bank;

5) activities of the temporary administration for bank management;

6) other provisions aimed at regulating the bank.

The requirements for the content of the bank settlement plan, the procedure for its development and updating shall be established by the regulatory legal act of the authorized body.

3. The authorized body that has identified, including through the use of reasoned judgment, in the process of developing or updating the bank's settlement plan, deficiencies, risks and/or violations in the activities of the bank, a major participant in the bank, a banking holding company, a banking conglomerate and/or organizations that are part of a banking conglomerate that may hinder the settlement of the bank, shall apply measures to improve the financial condition and/or minimize risks, as provided for in Article 80 of this Law, to eliminate the identified deficiencies, risks and/or violations.

Article 91. Assessment of bank viability

1. The assessment of a bank's viability is a comprehensive analysis carried out by an authorized body, including the involvement of appraisers, auditors and/or other specialized organizations, to determine:

1) the financial, accounting and economic position of the bank, including the bank's ability to:

comply with prudential standards and limits established by the authorized body, as well as macroprudential standards and limits established by the National Bank of the Republic of Kazakhstan;

to fulfill its obligations to its depositors, other creditors and clients, and to carry out banking activities on a sustainable basis;

2) the presence of critically important banking and other operations at the bank that require ensuring the continuity of their implementation;

3) the existence of grounds for recognizing the bank as insolvent or potentially insolvent;

4) the possibility and feasibility of applying settlement instruments to a bank in comparison with the forced liquidation of the bank in the event of the bank being declared insolvent or potentially insolvent, including:

the provisions of depositors, other creditors, clients and correspondents of the bank in connection with the possible application of settlement instruments to the bank, as well as their provisions in the event of the forced liquidation of the bank without the application of the settlement regime;

the presence of systemic risks and/or risks of significant negative impact on the banking system in the event of forced liquidation of the bank;

the advisability of state participation in the settlement of a systemically important bank.

The expenses of the authorized body associated with the assessment of the bank's viability shall be paid (reimbursed) from the bank's funds.

2. The assessment of the bank's viability is carried out in the presence of any of the following grounds:

1) a decrease in the bank's equity capital adequacy ratios and/or liquidity ratios to a level below the minimum values established by the authorized body;

2) failure of the bank to fulfill within seven working days its monetary obligations to depositors and/or other creditors due to the absence or insufficiency of funds;

3) systematic (three or more times within twelve consecutive calendar months) improper fulfillment by the bank of contractual obligations for transfer transactions due to the absence or insufficiency of funds;

4) significant deficiencies in the corporate governance and/or risk management and internal control system of the bank, which have a significant negative impact on the financial stability of the bank;

5) the presence of material misstatements in the bank's regulatory or financial statements, including intentional misstatement or non-recognition of losses, manipulation of accounting policies;

6) identification by the authorized body, within the framework of supervisory functions, of signs that may lead to the creation of a situation that threatens the financial stability of the bank and/or the rights and legitimate interests of its depositors, other creditors, clients and correspondents and/or the stability of the financial system;

7) failure to implement measures to improve the financial condition and/or minimize the risks provided for in Article 80 of this Law, and/or compulsory supervisory response measures provided for in Article 81 of this Law;

8) failure to implement or ineffectiveness of the plan to restore the bank's financial stability;

9) the execution by a bank that is in the enhanced supervision regime or the financial stability restoration regime of transactions (operations) that lead to a deterioration in the financial stability of the bank, including:

transactions (operations) that result in a significant deterioration in the quality of the bank's assets, including the sale or replacement of assets or collateral, if the specified transactions (operations) result in losses for the bank;

transactions (operations) on non-market terms, as a result of which the bank incurs losses, as well as transactions with persons connected with the bank by special relations, in violation of the requirements established by Article 50 of this Law, and/or restrictions established by the authorized body through the application of supervisory response measures;

the bank's acceptance of obligations that resulted in the bank's inability to fulfill its monetary obligations to depositors and/or other creditors in whole or in part;

transfer of property (including for temporary use) free of charge or at a price that is significantly different to the detriment of the bank from the price of similar property under comparable economic conditions, or without grounds to the detriment of the rights and legitimate interests of depositors, other creditors, clients and correspondents of the bank;

10) the existence of grounds established by this Law for the deprivation of a bank's banking license on implementation of all types of operations;

11) the presence of circumstances (information) indicating that any of the grounds provided for in subparagraphs 1), 2), 3), 4), 5), 6), 7), 8), 9) and 10) of this paragraph will occur in relation to the bank within the next six months.

3. The procedure for assessing the viability of a bank, the criteria for the presence of systemic risks and risks of a significant negative impact on the banking system, the criteria for the presence of critically important banking and other operations that require ensuring the continuity of their implementation, as well as the list of transactions (operations) on non-market terms, as a result of which the bank incurs losses, shall be determined by a regulatory legal act of the authorized body.

4. Depending on the results of the bank's viability assessment, the authorized body shall recognize the bank:

1) capable of restoring its financial stability, provided that the bank implements an updated financial stability restoration plan;

2) insolvent or potentially insolvent.

5. If a bank is declared insolvent or potentially insolvent, one of the following decisions shall be made:

1) application of a settlement regime to a bank in the manner specified in paragraph 3 of Article 92 of this Law, if the results of the assessment of the bank's viability confirm the possibility and expediency of applying settlement instruments in comparison with the forced liquidation of the bank;

2) the bank's authorized body deprives its banking license on implementation of all types of operations and applies to the court for a decision on the forced liquidation of the bank, if the results of the assessment of the bank's viability confirm the lack of possibility and/or the advisability of applying settlement instruments to the bank.

The appropriateness of applying settlement instruments to a bank shall be confirmed by the possibility of achieving the settlement objectives provided for in paragraph 1 of Article 92 of this Law.

Article 92. Settlement regime

1. The settlement regime refer to the application by the authorized body to the bank of the settlement instruments provided for in Article 93 of this Law for:

1) protection of the rights and legitimate interests of depositors, other creditors, clients and correspondents of the bank;

2) reducing systemic risks and preventing a significant negative impact on the banking system, including by preventing the spread of a negative impact from a bank in settlement regime to other banks and financial institutions;

3) ensuring the continuity of the bank's critical banking and other operations.

2. The settlement regime shall be based on the following principles:

1) mandatory reduction of the amount of the bank's equity capital by the amount of the bank's actual and expected losses in the accounting and financial reporting of the bank in accordance with the Law of the Republic of Kazakhstan "On Accounting and Financial Reporting" and international financial reporting standards;

2) preventing an increase in losses of depositors and other creditors of a bank in the settlement regime, compared to the losses that they would have suffered in the event of the forced liquidation of the bank without the application of the settlement regime;

3) protection of deposits that are subject to mandatory deposit guarantees;

4) satisfaction of the claims of depositors and other creditors when applying to the bank the settlement regime in accordance with the order established by Article 123 of this Law, except for cases when satisfaction of claims in accordance with the specified order:

will lead to an increase in systemic risks and/or a significant negative impact on the banking system;

will prevent the bank from continuing to carry out critical banking and other operations;

5) application of the least costly settlement instruments to the bank;

6) the use of funds from the republican budget and/or other state funds in the minimum necessary amount and exclusively to reduce systemic risks and prevent a significant negative impact on the banking system during the settlement of a systemically important bank;

7) the implementation by the authorized body of the function of bank settlement, regardless of other functions of the authorized body.

3. If the results of the bank's viability assessment confirm the possibility and feasibility of applying settlement instruments to the bank in comparison with the forced liquidation of the bank:

1) the decision to apply the settlement regime to a bank that is not systemically important shall be taken by the authorized body no later than three working days from the date of the assessment of the viability of the specified bank;

2) the decision to apply the settlement regime to a systemically important bank shall be taken in the manner specified in paragraph 1 of Article 94 of this Law.

4. The decision to apply the settlement regime to a bank shall:

1) be based on the principles established in paragraph 2 of this article;

2) contain a list, conditions and estimated timeframes for the implementation of settlement instruments, taking into account:

the objectives of the settlement regime established by paragraph 1 of this article;

provisions of the settlement plan specified in paragraph 1 of Article 90 of this Law (if any);

the results of the viability assessment specified in Article 91 of this Law.

5. The decision to apply the settlement regime to a bank shall be communicated by the authorized body to the bank, major participants of the bank, bank holding companies, the National Bank of the Republic of Kazakhstan and the organization implementing mandatory deposit guarantees, within one business day from the date of its adoption.

To notify depositors, other creditors, clients and debtors of the bank, and other interested parties, the bank publishes an announcement regarding the application of the settlement regime to the bank in Kazakh and Russian in two periodicals distributed throughout the Republic of Kazakhstan, posts it on the bank's website, and communicates it to the bank's clients through information technology systems. The authorized body shall also post this announcement on its website.

A systemically important bank in respect of which state participation has been carried out in accordance with Article 94 of this Law shall be obliged to post on its official internet resource information on the application of the settlement regime to it, as well as information on state participation, including information on its size, the conditions for its provision and use, and the progress of fulfilling obligations for its repayment.

6. Unless otherwise provided by the decision to apply the settlement regime to the bank, from the date of commencement of application of the settlement regime the following measures shall be taken:

1) the accrual of penalties (fines, penalties) on all types of bank debt shall be suspended;

2) the fulfillment of the bank’s monetary obligations to depositors and other creditors, including those subject to satisfaction in an uncontested manner, shall be suspended;

3) foreclosure on the bank’s property shall be suspended;

4) the execution of writs of execution for the collection of debts from the bank shall be suspended;

5) the bank shall be prohibited from making decisions, as well as implementing previously made decisions on:

distribution of profits, accrual and payment of dividends on common and/or preferred shares;

payment of remuneration on subordinated debt, perpetual financial instruments and/or other instruments that ensure the general ability to absorb (cover) losses;

fulfillment of any financial obligations to major bank participants and/or banking holdings ;

payment of remuneration to the bank's executives, except for payment of wages (except for bonuses and other incentive payments) and other guaranteed payments in cases established by the labor legislation of the Republic of Kazakhstan.

7. Except for the cases established by Article 27 of this Law, the application of a settlement regime and/or settlement instruments to a bank may not be the basis for:

1) early fulfillment or termination of the bank's obligations at the initiative of the bank's counterparties;

2) early fulfillment by the bank of its obligations in connection with the occurrence of an event of non-fulfillment (default), settlement, insolvency and/or any similar event under any agreement concluded by the bank;

3) satisfaction, at the initiative of creditors, of claims against the bank at the expense of the bank's property, which is the subject of a pledge or other security.

8. When applying a settlement regime to a bank, the authorized body shall appoint a temporary administration to manage the bank in the manner specified in Article 101 of this Law.

9. The authorized body and/or the temporary administration for the management of the bank, including at the request of creditors, for transactions concluded by the bank within three years before the date of commencement of the application of the settlement regime, shall have the right to apply to the court with an application to recognize the transactions as invalid if there are grounds for invalidity of the transactions provided for by the Civil Code of the Republic of Kazakhstan, the laws of the Republic of Kazakhstan and/or paragraph 2 of Article 122 of this Law.

The provisions of paragraphs 3, 4, 5 and 6 of Article 122 of this Law shall apply to the recognition of transactions as invalid within the framework of the settlement regime.

In legal proceedings initiated at the request of the authorized body or the temporary administration for the management of the bank, after the termination of the settlement regime, the plaintiff shall be recognized as the bank or (in the event of the bank being deprived of its banking license on implementation of all types of operations) the temporary administration for the management of the bank until the entry into force of the court decision on the forced liquidation of the bank.

Article 93. Settlement instruments

1. Any of the following settlement instruments may be applied to a bank in the settlement regime:

1) forced sale of shares of a bank in settlement regime to a new investor;

2) compulsory restructuring of the liabilities of a bank in settlement regime;

3) an operation to simultaneously transfer all or part of the assets and liabilities of a bank in settlement regime to another bank (other banks);

4) the creation of a stabilization bank and the transfer to it of all or part of the assets and liabilities of the bank in settlement regime.

The settlement instrument provided for in subparagraph 2) of part one of this paragraph may be applied to a bank in the settlement regime if one of the following conditions is met:

application to such bank of the settlement instruments provided for in subparagraph 1) and/or subparagraph 3) and/or subparagraph 4) of the first part of this paragraph;

repurchase by the Government of the Republic of Kazakhstan or the national management holding of shares of a systemically important bank in the manner specified in paragraph 11 of Article 94 of this Law.

The regulation of a systemically important bank shall be carried out in accordance with the provisions established by Article 94 of this Law.

2. Bank settlement instruments and measures for their application are implemented without obtaining the consent of shareholders, depositors, other creditors, clients, debtors of the bank in settlement regime, as well as other interested parties.

3. For the purposes of applying settlement instruments and/or confirming compliance with the principle established by subparagraph 2) of paragraph 2 of Article 92 of this Law, the authorized body shall have the right to conduct an assessment of the assets and liabilities of a bank in the settlement regime, including with the involvement of appraisers, audit and/or other specialized organizations.

The expenses of the authorized body associated with conducting the specified assessment shall be paid (reimbursed) from the funds of the bank in settlement regime.

4. The procedure for applying the bank's settlement instruments shall be determined by the regulatory legal act of the authorized body and shall include:

1) the procedure for the forced sale of shares of a bank in settlement regime to a new investor;

2) the procedure for compulsory restructuring of the liabilities of a bank in settlement regime;

3) the procedure for carrying out an operation for the simultaneous transfer of assets and liabilities of a bank in settlement regime to another bank (other banks);

4) the procedure for the establishment and licensing of a stabilization bank, the minimum size and procedure for the formation of its authorized and equity capital, the procedure for registering the issue of authorized shares and the cancellation of authorized shares of a stabilization bank, the procedure for managing a stabilization bank, as well as the procedure for the stabilization bank to carry out transactions for which special conditions have been established;

5) the procedure and conditions for the transfer of assets and liabilities of a bank in settlement regime to a stabilization bank, as well as the transfer of assets and liabilities by a stabilization bank to another bank determined by the authorized body;

6) criteria for conducting an assessment for the purpose of identifying depositors and/or other creditors of the bank whose actual losses as a result of applying the settlement regime to the bank exceeded the losses that they would have suffered in the event of the forced liquidation of the bank without applying the settlement regime to it, as well as requirements for the content of the report on such an assessment.

Article 94. Settlement of a systemically important bank

1. The decision to apply the settlement regime to a systemically important bank shall be made in the following order:

1) the authorized body prepares a draft decision on the application of the settlement regime to a systemically important bank no later than three working days from the date of the assessment of the viability of the specified bank;

2) a draft decision on the application of the settlement regime to a systemically important bank is submitted for consideration to the Financial Stability Council of the Republic of Kazakhstan;

The Financial Stability Council of the Republic of Kazakhstan shall review the draft decision on the application of the settlement regime to a systemically important bank and shall make a decision on its approval or refusal to approve it no later than three working days from the date of its receipt.

The Financial Stability Council of the Republic of Kazakhstan shall have the right to submit recommendations on the list, conditions and estimated timeframes for the implementation of settlement instruments.

The issue of state participation in the settlement of a systemically important bank shall be considered by the Financial Stability Council of the Republic of Kazakhstan, taking into account the provisions of paragraphs 2 and 3 of this article;

3) the decision to apply the settlement regime to a systemically important bank shall be taken by a joint act of the authorized body, the National Bank of the Republic of Kazakhstan and the central authorized body for budget execution no later than three working days from the date of approval of the draft of the specified decision by the Financial Stability Council of the Republic of Kazakhstan.

2. State participation in the settlement of a systemically important bank shall be carried out if all of the following conditions are met:

1) a bank in the settlement regime is classified by the National Bank of the Republic of Kazakhstan as a systemically important bank in accordance with the Law of the Republic of Kazakhstan "On the National Bank of the Republic of Kazakhstan";

2) the assessment of the viability of a systemically important bank confirms the advisability of state participation in the settlement regime to reduce systemic risks and prevent a significant negative impact on the banking system;

3) the amount of equity capital of a systemically important bank in the settlement regime will be reduced by the amount of the bank's actual and expected losses in the accounting and financial reporting of the bank in accordance with the Law of the Republic of Kazakhstan " On Accounting and Financial Reporting" and international financial reporting standards;

4) the losses of a systemically important bank in settlement regime will be absorbed (covered) as a matter of priority by means of:

termination of the bank's obligations under instruments that ensure the general ability to absorb (cover) losses, and/or conversion of such obligations into the bank's common shares;

application of the settlement instruments provided for by the decision to apply the settlement regime to a systemically important bank.

3. The issue of state participation in the settlement of a systemically important bank shall be considered by the Financial Stability Council of the Republic of Kazakhstan taking into account:

1) the results of the assessment of the viability of a systemically important bank, its settlement plan, as well as the list, conditions and estimated timeframes for the implementation of the settlement instruments specified in the draft decision on the application of the settlement regime to a systemically important bank;

2) information from the National Bank of the Republic of Kazakhstan in accordance with subparagraph 1) of paragraph 2 of this article;

3) information from the National Bank of the Republic of Kazakhstan on the possibility of providing a loan of last resort to a systemically important bank or a stabilization bank to which the assets and liabilities of the systemically important bank will be transferred;

4) information from the central authorized body for budget execution on the possibility of using funds from the republican budget and/or other state funds for:

acquisition by the Government of the Republic of Kazakhstan or a national management holding of shares in a systemically important bank or a stabilization bank to which the assets and liabilities of the systemically important bank will be transferred;

provision of a state guarantee of the Republic of Kazakhstan for loans to resolve a systemically important bank as security for the fulfillment of obligations under a loan of last resort of a systemically important bank or a stabilization bank to which the assets and liabilities of the systemically important bank will be transferred.

4. The Government of the Republic of Kazakhstan or the national management holding company shall have the right, at the expense of the republican budget and/or other state funds, to participate in the settlement regime of a systemically important bank by acquiring shares of the specified bank or shares of a stabilization bank to which the assets and liabilities of the systemically important bank will be transferred.

The National Bank of the Republic of Kazakhstan shall have the right to participate in the settlement regime of a systemically important bank by providing a loan of last resort to a systemically important bank or a stabilization bank to which the assets and liabilities of a systemically important bank will be transferred for the purpose of covering a short-term liquidity deficit, in accordance with the Law of the Republic of Kazakhstan "On the National Bank of the Republic of Kazakhstan" provided that all of the following conditions are met:

the adoption by the Government of the Republic of Kazakhstan or the national management holding of a decision to acquire shares of a systemically important bank or a stabilization bank to which the assets and liabilities of the systemically important bank will be transferred;

provision of a state guarantee of the Republic of Kazakhstan for loans to settle a systemically important bank as security for the fulfillment of obligations in the amount of the loan of last resort in full.

5. If the Financial Stability Council of the Republic of Kazakhstan approves the issue of state participation in the settlement regime of a systemically important bank, the issue of the acquisition by the Government of the Republic of Kazakhstan or the national management holding of shares of a systemically important bank or a stabilization bank to which the assets and liabilities of the systemically important bank will be transferred shall be submitted for approval to the Government of the Republic of Kazakhstan.

6. The decision of the Government of the Republic of Kazakhstan on the acquisition by the Government of the Republic of Kazakhstan or a national management holding of shares of a systemically important bank or a stabilization bank to which the assets and liabilities of the systemically important bank will be transferred shall contain information on:

1) the number and price of shares acquired;

2) the number and price of shares required to increase the total number of authorized shares of a systemically important bank, in the event of a lack of authorized but unplaced or repurchased shares, or if their number is insufficient.

The number of shares of a systemically important bank acquired by the Government of the Republic of Kazakhstan or the national management holding company shall be determined by:

1) based on the issue price per share, which shall be equal to the amount of the systemically important bank’s equity capital, reduced by the amount of the systemically important bank’s actual and expected losses in accordance with the requirements of sub-paragraph 3) of paragraph 2 of this Article, divided by the total number of issued shares of the systemically important bank as at the date of the decision to acquire shares in accordance with this paragraph. Where the equity capital of the systemically important bank shall be negative, for the purposes of calculating the issue price of the shares, the equity capital of the systemically important bank shall be deemed to be equal to KZT one;

2) taking into account the amount by which it is necessary to increase the equity capital of a systemically important bank to ensure the financial stability of the systemically important bank and the ability of the systemically important bank to comply with the prudential standards and limits established by the authorized body, as well as the macroprudential standards and limits established by the National Bank of the Republic of Kazakhstan.

7. Within three working days from the date of adoption of the decision of the Government of the Republic of Kazakhstan, provided for in the first part of paragraph 6 of this article, the

temporary administration for the management of the bank shall submit to the authorized body amendments and/or additions to the prospectus for the issue of shares of a systemically important bank in the manner determined by the legislation of the Republic of Kazakhstan.

The authorized body, in the manner determined by the legislation of the Republic of Kazakhstan, shall:

1) carry out state registration of amendments and/or additions to the prospectus for the issue of shares of a systemically important bank;

2) send to the temporary administration for managing the bank in electronic form a certificate of state registration of the issue of declared shares and a prospectus for the issue of shares, taking into account the amendments and/or additions made.

The temporary administration for the management of the bank, within one business day from the date of receipt of the certificate of state registration of the issue of declared shares and the prospectus for the issue of shares, taking into account the amendments and/or additions made, shall notify the central depository of the increase in the number of declared shares of the systemically important bank.

8. The acquisition of shares of a systemically important bank by the Government of the Republic of Kazakhstan or a national management holding company shall be carried out without the adoption of decisions by the bodies of the systemically important bank.

The ownership right to shares of a systemically important bank or a stabilization bank to which the assets and liabilities of a systemically important bank will be transferred shall be registered to the state body authorized to dispose of republican state property or to the national management holding company.

Shareholders of a systemically important bank do not have the right of preemptive purchase of shares placed (sold) in accordance with this article.

9. After the acquisition of shares of a systemically important bank or a stabilization bank to which the assets and liabilities of the systemically important bank will be transferred, the authorized body for state property management or the national management holding shall convene an extraordinary general meeting of shareholders of the systemically important bank or the stabilization bank to which the assets and liabilities of the systemically important bank will be transferred, to consider issues on introducing amendments and/or additions to the bank's charter or on approving it in a new version, the election (re-election) of officials and other employees of the bank, optimization of the bank's assets and other issues in the manner determined by the legislation of the Republic of Kazakhstan.

10. From the date of acquisition of shares of a systemically important bank by the Government of the Republic of Kazakhstan or a national management holding company, all decisions regarding the subsidiaries of such a bank shall be made by the board of directors of the bank.

11. If, as a result of the implementation of measures to resolve a systemically important bank, the Government of the Republic of Kazakhstan or the national management holding

company becomes the holder of ninety-five percent or more of the voting shares of the systemically important bank, the Government of the Republic of Kazakhstan or the national management holding company shall have the right to decide on the compulsory buyout of the shares owned by them from persons who were shareholders of the systemically important bank on the date of the decision to apply the settlement regime to the systemically important bank.

The specified right may be exercised by the Government of the Republic of Kazakhstan or the national management holding at any time before the sale by the Government of the Republic of Kazakhstan or the national management holding of shares of a systemically important bank, previously acquired in accordance with this article, to a new investor.

This right shall be exercised by the Government of the Republic of Kazakhstan or the national managing holding company issuing a decision to a systemically important bank ordering the compulsory buy-out of shares in that systemically important bank held by individuals who have been shareholders of the systemically important bank on the date of the decision to place the systemically important bank under resolution. The decision to repurchase shares in a systemically important bank must contain details of the individual making the claim, the number of shares in the systemically important bank held by that individual, and the sale (purchase) price of the shares in the systemically important bank, determined in accordance with sub-paragraph 1) of the second part of paragraph 6 of this Article. Where the total price of all shares in a systemically important bank repurchased from a single individual amounts to less than KZT one, those shares shall be repurchased from that individual at a price of KZT one for all the shares.

A systemically important bank, within three business days from the date of receipt of the decision specified in part two of this paragraph, shall ensure its posting on the internet resource of the financial statement depository and shall inform the central depository, as well as the stock exchange (if the bank's shares are listed on the official list of the stock exchange), of the decision received.

Compulsory buyout of shares of a systemically important bank by the Government of the Republic of Kazakhstan or a national management holding does not require the consent of the shareholders of this systemically important bank.

12. In the event of termination of the settlement regime in accordance with the grounds established by subparagraph 1) of paragraph 1 of Article 99 of this Law, the Government of the Republic of Kazakhstan or the national management holding shall take measures to sell the shares of a systemically important bank or a stabilization bank to which the assets and liabilities of the systemically important bank were transferred that it acquired to a new investor.

When selling shares of a systemically important bank or a stabilization bank to which the assets and liabilities of a systemically important bank have been transferred to a new investor, the Government of the Republic of Kazakhstan or a national management holding company shall be guided by the following principles:

1) the use of all reasonable measures to achieve the best economic result and the most favorable terms of the transaction for the seller;

2) respect for the equality of rights of potential investors;

3) ensuring disclosure to potential investors of complete and reliable information on the financial position of a systemically important bank or a stabilization bank to which the assets and liabilities of a systemically important bank have been transferred, to assess the terms of the sale of shares.

For the sale by the Government of the Republic of Kazakhstan or a national management holding company of shares in a systemically important bank or a stabilization bank to which the assets and liabilities of the systemically important bank have been transferred to a new investor, the Government of the Republic of Kazakhstan or the national management holding company may engage appraisers, auditors, and/or other specialized organizations. Persons that were major participants in the bank or bank holding companies on the date of the decision to apply the settlement regime to the systemically important bank shall not be entitled to acquire the shares specified in the first part of this paragraph.

13. The procedure for the sale of shares of a systemically important bank to the Government of the Republic of Kazakhstan or the national management holding company, the procedure and conditions for the sale by the Government of the Republic of Kazakhstan or the national management holding company of shares of a systemically important bank or a stabilization bank to which the assets and liabilities of the systemically important bank have been transferred, to a new investor, as well as the criteria under which the specified sale is carried out with the condition of partial compensation (coverage) from the future net profit of the specified bank of funds from the republican budget and/or other state funds used by the Government of the Republic of Kazakhstan and/or the national management holding company as a result of the settlement of the systemically important bank, or without the specified compensation (coverage), as well as the amounts, terms and other conditions of the specified compensation (coverage) shall be determined by the Government of the Republic of Kazakhstan.

14. A systemically important bank in the settlement regime shall be prohibited from making decisions, or implementing previously made decisions, on:

distribution of profits, accrual and payment of dividends on common and/or preferred shares;

payment of remuneration on subordinated debt, perpetual financial instruments and/or other instruments that ensure the general ability to absorb (cover) losses;

fulfillment of any financial obligations to major participants of the bank and/or bank holdings, except for cases stipulated in the decision to apply the settlement regime to the bank ;

payment of remuneration to the bank's executives, except for payment of wages (except for bonuses and other incentive payments) and other guaranteed payments in cases established by the labor legislation of the Republic of Kazakhstan.

The specified prohibition shall be valid from the date of commencement of the settlement regime until the sale by the Government of the Republic of Kazakhstan or the national management holding of shares previously acquired in accordance with this article to a new investor and the fulfillment by the systemically important bank or stabilization bank to which the assets and liabilities of the systemically important bank were transferred of its obligations to repay the loan of last resort to the National Bank of the Republic of Kazakhstan in full.

15. The use of funds from the state budget, the National Bank of the Republic of Kazakhstan and/or its subsidiaries in the bank settlement regime shall be prohibited in cases not provided for by this Law.

Footnote. Article 94, as amended by the Law of the Republic of Kazakhstan dated 11.06.2026 № 306-VIII (shall enter into force from 01.07.2026).

Article 95. Forced sale of bank shares to a new investor

1. If the decision to apply the settlement regime to a bank provides for the forced sale of the bank's shares to a new investor, the temporary administration for the management of the bank shall carry out measures to find a new investor, as well as to conduct negotiations and conclude an agreement for the purchase and sale of shares of the bank, which is in the settlement regime, with the new investor.

The selection of a new investor shall be based on the following requirements:

1) offering the best price for purchasing shares;

2) the acceptance by the new investor of an obligation to additionally capitalize the bank to a level that ensures its financial stability and compliance with prudential standards and limits established by the authorized body, as well as macroprudential standards and/or limits established by the National Bank of the Republic of Kazakhstan;

3) confirmation of the new investor’s ability to ensure effective management, a sustainable business model and further development of the bank.

2. The forced sale of shares of a bank in a settlement regime to a new investor does not require the consent of the shareholders of that bank.

The choice of a new investor, as well as the price of the forced sale of shares of a bank in a settlement regime to a new investor, shall be determined by the temporary administration for managing the bank, taking into account the assessment of the bank's viability and are subject to agreement with the authorized body.

The proceeds from the forced sale of shares of a bank in a settlement regime shall be transferred by the temporary administration of the bank to the shareholders (former shareholders) whose shares were sold to the new investor.

Article 96. Compulsory restructuring of the liabilities of a bank in the settlement regime

1. Compulsory restructuring of the liabilities of a bank in settlement regime is a set of measures to absorb (cover) the bank's losses by implementing by the authorized body a full or partial termination and/or change in the terms of the bank's liabilities, including the bank's liabilities under instruments that ensure the general ability to absorb (cover) losses, and/or convert such liabilities into common shares of the bank.

The decision on compulsory restructuring of the liabilities of a bank in settlement regime, for the purpose of ensuring (restoring) financial stability and/or restoration of which funds from the National Bank of the Republic of Kazakhstan and/or its subsidiaries are used in the period from the date of the decision to provide the specified funds until the bank has fully fulfilled its obligations to repay them, shall be taken by the authorized body in agreement with the National Bank of the Republic of Kazakhstan.

2. Compulsory restructuring of the liabilities of a bank in settlement regime shall be applied only after the amount of the bank's equity capital has been reduced by the amount of the bank's actual and expected losses in the accounting and financial reporting of the bank in accordance with the Law of the Republic of Kazakhstan "On Accounting and Financial Reporting" and international financial reporting standards.

3. Compulsory restructuring of the obligations of a bank in the settlement regime shall be carried out in the reverse order of satisfaction of creditors' claims, established by Article 123 of this Law, except for cases where compulsory restructuring of individual obligations of a bank in the settlement regime:

will lead to an increase in systemic risks and/or a significant negative impact on the banking system;

will prevent the bank from continuing to carry out critical banking and other operations.

4. The following shall not be subject to compulsory restructuring:

1) the bank’s obligations to persons whose claims are not included in the bank’s liquidation estate in accordance with Article 116 of this Law;

2) the bank's obligations that are subject to satisfaction in the event of its forced liquidation in the first, second, third, fourth, fifth and seventh order in accordance with Article 123 of this Law, as well as the bank's obligations to individuals on deposits in the amount of the guarantee compensation payable by the organization that provides mandatory guarantee of deposits in the event of its forced liquidation.

5. For compulsory restructuring of the liabilities of a bank in settlement regime, the authorized body shall have the right to decide on:

1) an increase in the number of declared common shares of the bank if the number of declared but not issued common shares of the bank is insufficient to convert the bank’s liabilities into common shares of the bank;

2) suspension of trading and/or delisting in relation to bank shares and/or derivative securities issued in accordance with the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is bank shares.

6. When converting debt securities and other monetary obligations of a bank in settlement regime into its common shares:

1) a decision of the general meeting of shareholders of the bank to increase the number of authorized shares of the bank shall not be required;

2) the bank's shareholders shall not be granted the right of pre-emptive purchase of the bank's shares;

3) the requirements of paragraphs 2 and 3 of Article 9 of this Law shall not apply.

Article 97. An operation to simultaneously transfer the assets and liabilities of a bank in settlement regime to another bank (other banks)

1. If the decision to apply the settlement regime to a bank provides for the implementation of an operation to simultaneously transfer the assets and liabilities of a bank in the settlement regime to another bank (other banks) (hereinafter, for this article, the Acquiring bank), such an operation shall be carried out by the temporary administration for the management of the bank.

2. When carrying out the operation provided for in paragraph 1 of this article, the acquiring bank may simultaneously receive, in part or in full, the assets and liabilities of the bank in settlement regime.

The obligations of a bank in settlement regime regarding guaranteed deposits of individuals shall be transferred to the acquiring bank in full.

If the amount of liabilities on guaranteed deposits of individuals transferred to the acquiring bank exceeds the amount of assets of the bank in the settlement regime, the organization implementing mandatory deposit guarantees shall be obliged to make up the difference in the manner determined by the legislation of the Republic of Kazakhstan on mandatory guarantees of deposits placed in second-tier banks of the Republic of Kazakhstan.

The amount of funds transferred by the organization implementing mandatory deposit guarantee, in accordance with part three of this paragraph, shall not exceed the amount payable as guarantee compensation, determined in accordance with the legislation of the Republic of Kazakhstan on mandatory deposit guarantee.

3. Carrying out the operation provided for in paragraph 1 of this article shall not require the following:

1) the consent of shareholders, depositors, other creditors, clients and/or debtors of the bank in settlement regime, as well as other interested parties (including pledgers, guarantors, and sureties). In this regard, the identity of the new creditor is recognized as not having a material significance for the debtor;

2) making changes to the terms of agreements concluded by a bank in settlement regime with its depositors, other creditors, clients and/or debtors, as well as other persons (including pledgers, guarantors, sureties), in terms of indicating a new party to the agreement;

3) the conclusion of new bank account agreements by the acquiring bank with depositors of the bank in settlement regime.

4. The acquiring bank shall assign individual identification codes to the depositors' bank accounts and notify the depositors thereof.

The transfer of the obligations of a bank in settlement regime to depositors by the temporary administration for the management of the bank to the acquiring bank shall be carried out in accordance with the provisions of paragraphs 6, 7 and 8 of Article 68 of this Law.

5. The collection and processing of personal data of clients of a bank in settlement regime, the rights (requirements) and obligations for which are transferred during the operation provided for in paragraph 1 of this article, shall be carried out by the acquiring bank without the consent of the subjects of personal data or their legal representatives.

6. To notify depositors, other creditors, clients and debtors of a bank in settlement regime, as well as other interested persons, the temporary administration for managing the bank shall publish an announcement on the transfer of assets and liabilities of a bank in settlement regime to the acquiring bank in the Kazakh and Russian languages in two periodicals distributed throughout the territory of the Republic of Kazakhstan, and shall also be posted by the authorized body, the bank in settlement regime, and the acquiring bank on their Internet resources.

7. The transfer to the acquiring bank of assets of a bank in settlement regime in the form of shares, equity stakes, units or other forms of equity participation in organizations, as well as branches, representative offices and additional premises of the bank does not require the acquiring bank to obtain permits, consents and notifications from the authorized body provided for by this Law and/or other laws of the Republic of Kazakhstan.

8. The transfer of assets and liabilities of a bank in settlement regime shall be carried out by agreeing on the simultaneous transfer of assets and liabilities with a transfer deed attached to the agreement.

The transfer deed shall contain information about the transferred assets and liabilities, including the methods of ensuring the fulfillment of obligations for the transferred assets and liabilities.

The provisions of the Civil Code of the Republic of Kazakhstan on the change of parties to an obligation shall apply to the agreement on the simultaneous transfer of assets and liabilities.

9. The agreement on the simultaneous transfer of assets and liabilities (with the attached transfer deed) shall be submitted to the authorized registration body (organization) by the acquiring bank for the purpose of entering into the legal cadastre, as well as the register of pledges of movable property, the system of registers of securities holders, information about the new creditor, who is also the pledgee, to whom the rights securing the fulfillment of obligations on the transferred assets have been transferred.

The assignment of rights (requirements) on the grounds and in the manner determined by this article shall also be the basis for the transfer to a new creditor, who shall also be the pledgee, of rights to property in respect of which there are encumbrances, arrests, and other restrictions on the disposal of property registered by third parties or state bodies.

10. After the transfer of obligations to depositors and other creditors of a bank in settlement regime to the acquiring bank, the fulfillment of obligations to such depositors and other creditors shall be carried out by the acquiring bank.

11. After the conclusion of an agreement on the simultaneous transfer of assets and liabilities of a bank in settlement regime, shareholders, depositors, other creditors and clients of a bank in settlement regime shall not have the right to:

1) demand compensation from the acquiring bank for any losses incurred as a result of the transfer of assets and liabilities of the bank in settlement regime in favor of the acquiring bank ;

2) demand the return of any assets and liabilities to the bank in settlement regime.

The conclusion and/or execution of an agreement on the simultaneous transfer of assets and liabilities of a bank in settlement regime may not be the basis for:

1) early fulfillment or early termination of obligations transferred to the acquiring bank;

2) the occurrence of an event of non-performance (default), settlement, insolvency and/or any similar event under the agreement within the framework of which the obligations transferred to the acquiring bank arose.

12. The temporary administration for the management of a bank shall have the right to carry out an operation for the simultaneous transfer of assets and liabilities of a bank in the settlement regime more than once for additional transfer of assets and liabilities of the specified bank.

The temporary administration for the management of the bank, after the completion of the transfer of assets and liabilities of the bank in the settlement regime to the acquiring bank, shall submit to the authorized body a proposal to deprive the bank in the settlement regime of its banking license on implementation of all types of operations for the subsequent forced liquidation of the bank.

13. The specifics of conducting an operation to simultaneously transfer the assets and liabilities of a bank in settlement regime to a stabilization bank shall be established by Article 98 of this Law.

Article 98. Establishment of a stabilization bank and transfer to it of all or part of the assets and liabilities of a bank in settlement regime

1. The authorized body, for the purpose of carrying out an operation to simultaneously transfer the assets and liabilities of a bank in settlement regime to a stabilization bank, shall decide to establish a stabilization bank and instruct the temporary administration for managing the bank to carry out an operation to simultaneously transfer, in whole or in part, the assets and liabilities of a bank in settlement regime to a stabilization bank.

2. A stabilization bank shall be created by decision of the authorized body for the purpose of transferring to it, in whole or in part, the assets and liabilities of a bank in settlement regime, and the subsequent sale of shares of the stabilization bank to a new investor.

3. The requirements and provisions established by Chapters 3, 5, 6, 8 and 9 of this Law, as well as Chapters 5, 6 and 7 of the Law of the Republic of Kazakhstan "On Joint-Stock Companies" shall not apply to the stabilization bank.

4. The stabilization bank shall carry out banking activities provided for by this Law based on a universal banking license.

The stabilization bank shall not have the right to carry out the activities provided for in paragraphs 2, 4, 5 and 7 of Article 23 of this Law, except for the acquisition by the stabilization bank of shares, participation interests, units or other forms of equity participation in organizations when the stabilization bank forecloses on the subject of collateral (other security) under a bank loan agreement and/or receives compensation in exchange for the performance of obligations under a bank loan agreement.

5. Before the entry into force of a court decision on the forced liquidation of a bank in settlement regime, the stabilization bank, in agreement with the authorized body, shall have the right to exchange the assets and liabilities previously transferred to it for other assets and liabilities of the bank in settlement regime.

6. The provisions of paragraphs 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 of Article 97 of this Law shall apply to cases of conducting an operation to simultaneously transfer the assets and liabilities of a bank in settlement regime to a stabilization bank.

7. The transfer of assets and/or liabilities by a stabilization bank to another bank determined by the authorized body shall be carried out without the consent of depositors, other creditors, clients and/or debtors of the stabilization bank, as well as other interested parties (including pledgers, guarantors, sureties).

To notify depositors, other creditors and clients, the stabilization bank shall publish an announcement about the transfer of assets and/or liabilities of the stabilization bank to another bank in the Kazakh and Russian languages in two periodicals distributed throughout the territory of the Republic of Kazakhstan, and an announcement shall also be posted on the Internet resources of the authorized body and the stabilization bank.

The conclusion and/or execution of an agreement on the transfer of assets and/or liabilities of a stabilization bank to another bank may not be the basis for:

1) early fulfillment or early termination of obligations transferred to another bank;

2) the occurrence of an event of non-performance (default), settlement, insolvency and/or any similar event under the agreement within the framework of which the obligations transferred to another bank arose.

8. By decision of the authorized body, the stabilization bank shall cease its activities after the complete transfer of assets and liabilities accepted from the bank in settlement regime to another bank in the manner and under the conditions determined by the authorized body.

9. By decision of the authorized body, all shares of the stabilization bank may be sold to the investor under conditions that provide for an increase in the capital of the stabilization bank and its functioning in accordance with the requirements of the legislation of the Republic of Kazakhstan established for a bank with a universal banking license.

The acquisition of shares of a stabilization bank by the Government of the Republic of Kazakhstan or a national management holding company shall be carried out in the manner specified in Article 94 of this Law.

Persons who were major participants in the bank or bank holdings on the date of the decision of the authorized body to apply the settlement regime to the bank shall not be entitled to acquire shares of the stabilization bank.

Since the investor acquired shares in the stabilization bank, this bank shall:

1) lose the status of a stabilization bank and carry out its activities in compliance with the requirements of the legislation of the Republic of Kazakhstan established for a bank with a universal banking license;

2) be subject to regulation, control and supervision by the authorized body in accordance with the requirements of the legislation of the Republic of Kazakhstan established for a bank with a universal banking license.

Article 99. Termination of the settlement regime

1. The authorized body shall decide to terminate the settlement regime in the following cases:

1) the application of settlement instruments has led to the elimination of the grounds for applying the settlement regime to the bank;

2) the adoption by the authorized body of a decision to deprive a bank in the settlement regime of a banking license on implementation of all types of operations for the purpose of subsequent forced liquidation of this bank in the following cases:

the application of settlement instruments did not result in the elimination of the grounds for applying the settlement regime to the bank;

after applying the settlement instruments provided for in Article 97 and/or Article 98 of this Law.

2. The authorized body shall deprive the bank, which is in the settlement regime, of its banking license on implementation of all types of operations in the manner specified in Article 83 of this Law.

Article 100. Mechanism for compensation (coverage) of losses (funds) arising (used) as a result of the bank's settlement

1. The authorized body and the National Bank of the Republic of Kazakhstan shall make a joint decision on the reimbursement of funds from the republican budget and/or other state funds used by the Government of the Republic of Kazakhstan and/or the national

management holding company in the settlement of a systemically important bank, at the expense of mandatory cash contributions from banks and branches of banks that are non-residents of the Republic of Kazakhstan.

The amount of loss subject to compensation shall be determined as the difference between the purchase price of shares of a systemically important bank or shares of a stabilization bank to which the assets of such a bank were transferred, and the price of the subsequent sale of such shares to a new investor.

If the condition for the sale by the Government of the Republic of Kazakhstan or a national management holding of shares in a systemically important bank or a stabilization bank to which the assets and liabilities of a systemically important bank have been transferred to a new investor is partial compensation (coverage) from the future net profit of such bank of funds from the republican budget and/or other state funds used in the settlement of the systemically important bank, then the amount of the specified compensation (coverage) shall be subject to deduction from the amount of losses determined by part two of this paragraph.

The decision specified in the first part of this paragraph shall be taken within three months after the sale by the Government of the Republic of Kazakhstan or the national management holding of shares of a systemically important bank or a stabilization bank to which the assets and liabilities of the systemically important bank have been transferred to a new investor.

2. The amounts, procedure and terms for making mandatory monetary contributions shall be determined by a joint act of the authorized body and the National Bank of the Republic of Kazakhstan.

The amount of the mandatory cash contribution per year shall not exceed 0.2 percent of the amount of liabilities of a bank or branch of a bank that is a non-resident of the Republic of Kazakhstan as of January 1 of the year in which the decision on compensation for losses is made.

The authorized body shall have the right to grant a deferment or installment plan for payment of the contribution for a period of no more than six months if the payment results in the bank violating prudential or macroprudential standards and limits.

Chapter 16. TEMPORARY ADMINISTRATION FOR BANK MANAGEMENT

Article 101. General provisions on temporary administration for bank management

1. Temporary administration for bank management is a temporary management body of a bank appointed by the authorized body in the following cases:

1) the application of a financial stability restoration regime to ensure effective management of the bank, protect the rights and legitimate interests of depositors, other creditors and clients of the bank, and also to prevent further deterioration of the financial position of the bank;

2) the application of a settlement regime to establish full control over a bank and apply settlement instruments to such a bank.

2. From the date of appointment of the temporary administration to manage the bank and until the termination of the financial stability restoration regime or settlement regime the following measures shall be taken:

1) the exercise of all rights of the bank's shareholders to use and dispose of the bank's shares shall be suspended;

2) the powers of the bank's bodies shall be suspended;

3) the bank's executives shall be suspended from work;

4) all powers of the bank's bodies, as well as the rights of the bank's shareholders, shall be transferred to the temporary administration for managing the bank;

5) all transactions concluded on behalf of and at the expense of the bank by its shareholders, bank bodies, bank executives or other persons, except for the temporary administration for managing the bank, shall be recognized as invalid.

3. The temporary administration for the management of the bank shall be appointed by the authorized body from among its employees, representatives of the organization implementing mandatory deposit guarantees, and/or other persons who meet the minimum requirements established by Article 9-4 of the Law of the Republic of Kazakhstan "On state regulation, control and supervision of the financial market and financial organizations."

4. Expenses related to the activities of the temporary administration for managing the bank shall be covered by money and/or other property of the bank.

It shall be prohibited for the authorized body to finance expenses related to the activities of the temporary administration for managing the bank, except for expenses related to the remuneration of employees of the authorized body included in the temporary administration for managing the bank, as well as expenses related to the publication of the decision of the authorized body on the application of the settlement regime to the bank in cases where the bank has no assets or if the value of the bank's assets is insufficient to cover these expenses.

5. The procedure for the appointment and activities of the temporary administration for managing the bank, as well as the list, forms, terms and procedure for the provision of reports and other information by the temporary administration for managing the bank to the authorized body shall be determined by the regulatory legal act of the authorized body.

Article 102. Powers of the provisional administration responsible for managing the bank

The provisional administration responsible for managing the bank under the financial stability restoration regime or the resolution regime shall be entitled to:

1) take decisions independently on all matters relating to the bank's operations, subject to the requirements of Article 103 of this Law;

2) sign any contracts and documents on behalf of the bank, and bring legal claims on behalf of and in the interests of the bank;

3) suspend, in whole or in part, the fulfilment of the bank's obligations to depositors, other creditors and customers for the duration of the financial stability restoration regime or the resolution regime;

4) introduce amendments or suspend the deadlines for the fulfilment of the bank's monetary obligations and/or reduce the amount of remuneration under such obligations;

5) issue orders, including orders for dismissal, demotion or temporary suspension from office, and the determination of the duties of the bank's employees;

6) set off counterclaims of a similar nature, with the exception of claims arising against the bank from a contract for the assignment of rights (claims);

7) apply resolution tools;

8) carry out the activities provided for in Article 23 of this Law;

9) apply to the court for a declaration that transactions shall be void in accordance with paragraph 10 of Article 89 and paragraph 9 of Article 92 of this Law;

10) suspend transactions on the bank accounts of customers and the bank itself, except in cases relating to:

expenditure provided for by the regulatory legal acts of the competent authority;

the crediting of funds received by the bank;

the return of funds received into closed accounts of individuals who were previously clients of the bank;

payments to individuals to whom the bank shall be liable for causing harm to life or health ;

payments of wages and compensation to individuals who worked under an employment contract; payments of arrears in social security contributions to the State Social Insurance Fund, payments of maintenance and compulsory pension contributions deducted from wages and/or other income, payments of the employer's compulsory pension contributions, compulsory occupational pension contributions, and remuneration under copyright agreements;

the payment by the bank's customers of taxes, duties and other mandatory payments to the budget;

the conduct of transactions provided for in Articles 94, 95, 96, 97 and 98 of this Law;

expenditures arising from the invalidation of the bank's transactions in accordance with Article 122 of this Law;

11) suspend, during the financial stability restoration process, the enforcement of claims for the recovery of funds from the bank's bank accounts at the request of creditors, including those to be satisfied in an undisputed manner, as well as the enforcement of claims against the bank's assets;

12) apply to a bailiff for a suspension, during the financial stability restoration regime, of the enforcement orders for the recovery of debts from the bank issued after the date on which that regime has been introduced;

13) introduce amendments to the organisational structure of the bank and of any organisation under its direct or indirect control;

14) carry out other activities related to the implementation of measures to restore the bank's financial stability and to resolve the bank.

Article 103. Supervision of the activities of the provisional administration responsible for managing the bank

During the term of the provisional administration responsible for managing the bank, supervision of its activities shall be exercised by the authorised body, which shall be entitled to:

1) issue recommendations and binding written instructions to the provisional administration responsible for managing the bank;

2) issue written orders to the provisional administration responsible for managing the bank to remedy the identified violations and their causes, as well as the conditions that contributed to their occurrence, within a specified time limit and/or to submit an action plan within a specified time limit.

The action plan, submitted within the time limit specified in the written order, shall include descriptions of the violations, the causes leading to their occurrence, a list of planned measures, the deadlines for their implementation, and the responsible officials;

3) require the provisional administration responsible for managing the bank to provide any information regarding its activities and those of the bank;

4) receive and hear a report from the provisional administration responsible for managing the bank regarding the work carried out;

5) extend the term of the provisional administration responsible for managing the bank;

6) decide to terminate the activities of the provisional administration responsible for managing the bank.

Article 104. Termination of the activities of the provisional administration responsible for managing the bank

1. The activities of the provisional administration responsible for managing the bank shall cease in the following cases:

1) upon the expiry of the term of the provisional administration responsible for managing the bank, as established by a decision of the authorised body, or upon the termination of the financial stability restoration regime or the resolution regime;

2) the adoption by the authorised body of a decision on the early termination of the activities of the provisional administration responsible for managing the bank.

2. The termination of the activities of the provisional administration responsible for managing the bank due to an improvement in the bank's financial position shall entail the lifting of all restrictions imposed on the bank by the authorised body or the provisional administration responsible for managing the bank. However, any introduction of amendments and additions to the bank's constitutional documents, the activities of the bank's bodies and the bank's staffing table during the period of the provisional administration responsible for managing the bank shall remain in force.

SECTION 7. VOLUNTARY REORGANISATION Chapter 17. VOLUNTARY REORGANISATION OF A BANK OR A BANKING HOLDING COMPANY

1. The voluntary reorganisation (merger, acquisition, division, spin-off, transformation, conversion) of banks (banking holding companies) may be carried out by resolution of the general meeting of shareholders (members), subject to authorisation by the competent authority for the voluntary reorganisation of the bank (banking holding company).

In the case of a voluntary reorganisation of a bank (banking holding company) in the form of a merger or acquisition, authorisation from the competent authority for the voluntary reorganisation of the bank (banking holding company) shall be required for each bank (banking holding company) undergoing reorganisation.

The procedure for granting authorisation for the voluntary reorganisation of a bank (banking holding company) or for refusing to grant such authorisation, including the conditions for the voluntary conversion of a bank into an organisation carrying out specific types of banking operations, shall be determined by a regulatory legal act of the authorised body.

2. The procedure for the reorganisation of a bank by conversion into an Islamic bank shall be established by Chapter 18 of this Law.

3. The following documents must be attached to the application for authorisation from the competent authority to carry out the voluntary reorganisation of a bank (banking holding company):

1) a resolution of the general meeting of the bank's shareholders (the supreme governing body of the banking holding company) on its voluntary reorganisation, and in the case of the voluntary reorganisation of banks by way of a merger or acquisition – a resolution of the joint general meeting of the shareholders of the banks being reorganised;

2) documents setting out the proposed terms, forms, procedure and timetable for the voluntary reorganisation of the bank (banking holding company);

3) a financial forecast of the consequences of the voluntary reorganisation, including the projected balance sheet of the bank (banking holding company) following its voluntary reorganisation and/or of the legal entities formed as a result of the voluntary reorganisation of the bank (banking holding company).

In addition to the documents specified in the first part of this paragraph, an application for authorisation from the competent authority to carry out a voluntary reorganisation in the form of a merger must be accompanied by a merger agreement, signed by the heads of the executive bodies of the banks being reorganised on the basis of a resolution adopted at a joint general meeting of shareholders of the banks being reorganised in accordance with the Law of the Republic of Kazakhstan "On Joint-Stock Companies".

4. An application for authorisation to carry out a voluntary reorganisation of a bank (banking holding company) shall be considered by the competent authority within sixty working days of the date of its receipt.

5. Within two weeks of receiving authorisation from the competent authority for voluntary reorganisation, the bank (banking holding company) undergoing reorganisation shall be obliged to inform all its depositors, other creditors, customers, correspondents and borrowers by publishing a relevant announcement in the media, including on the bank's website.

6. State registration or re-registration of legal entities formed as a result of reorganization shall be carried out in accordance with the Law of the Republic of Kazakhstan.

7. The requirements of this Article shall not apply to non-residents of the Republic of Kazakhstan who shall be a banking holding company or an entity possessing the characteristics of a banking holding company, provided that one of the following conditions shall be met:

the existence of an individual credit rating of no lower than 'A' from one of the rating agencies, the list of which shall be established by the authorised body, as well as written confirmation from the financial supervisory authority of the country of origin of the banking holding company, a confirmation from an entity possessing the characteristics of a banking holding company that the given entities – non-residents of the Republic of Kazakhstan – shall be subject to consolidated supervision;

the existence of an agreement on the exchange of information in the field of banking supervision, including in the form of a memorandum of understanding, letters and/or correspondence regarding the exchange of supervisory information between the authorised body and the financial supervisory authority of the relevant foreign state, as well as 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 competent authority.

Footnote. Article 105, as amended by the Law of the Republic of Kazakhstan dated 11.06.2026 № 306-VIII (shall enter into force from 01.07.2026).

Article 106. Specific features of the voluntary reorganisation of banks

1. When a bank is merged into another bank, the shares of the bank being merged shall be acquired by the acquiring bank through the placement (sale) of its own shares to the shareholders of the acquired bank in a quantity determined on the basis of the share exchange ratio, which shall be approved at a joint general meeting of the shareholders of the reorganising banks following its prior approval by the board of directors of each bank. In this regard, the provisions of Article 83 of the Law of the Republic of Kazakhstan "On Joint-Stock Companies" relating to the sale price of the shares of the company being merged and the placement (sale) price of the shares of the company into which the merger is taking place (including provisions on the determination, consideration and approval of these prices by the company's governing bodies) shall not apply.

2. Following the transfer of the obligations of the bank being merged to the depositors and /or other creditors to the bank into which the merger shall be taking place, the fulfilment of obligations to such creditors and/or depositors, including the maintenance of the transferred bank accounts of depositors, shall be carried out by the bank into which the merger shall be taking place.

3. The bank being merged shall be entitled to transfer to the acquiring bank its obligations to depositors holding bank accounts with the bank being merged (whilst retaining their individual identification codes) without the need to conclude supplementary agreements to the banking service contracts, transaction histories, files compiled upon the opening and maintenance of bank accounts, outstanding claims, including orders from authorised state bodies with the right to suspend expenditure transactions on a bank account, as well as decisions (resolutions) of authorised bodies or officials with the right to freeze a client's funds , and encumbrances on depositors' bank accounts held at the merging bank at the time of the transfer of obligations.

4. The bank to which the merger is taking place shall, within the necessary timeframe during the reorganisation procedures, in order to ensure the preservation of depositors' bank account details (including individual identification codes assigned by the bank being merged), be entitled to execute instructions regarding depositors' bank accounts transferred to the acquiring bank, using the depositors' individual identification codes specified therein, assigned by the bank being merged, as well as the relevant details of the bank being merged used in the execution of payments and money transfers. Such instructions shall be executed using the correspondent account of the bank being merged. The bank into which the merger is taking place shall be entitled to use the information system of the bank being merged.

5. The collection and processing of personal data of the bank's customers, the rights (claims) and obligations in respect of which are transferred as part of the reorganisation procedure, shall be carried out by the acquiring bank without the consent of the data subjects or their legal representatives.

6. For the duration necessary to carry out the bank's reorganisation procedures, the acquiring bank shall assign individual identification codes to depositors' bank accounts in compliance with the requirements of the legislation of the Republic of Kazakhstan and shall notify the relevant parties in accordance with the procedure provided for in sub-paragraph 1) of paragraph 2 of Article 55 of the Tax Code of the Republic of Kazakhstan, the authorised state body responsible for the collection of taxes and other compulsory payments to the budget, of the change in the individual identification codes for taxpayers' bank accounts, as provided for in sub-paragraph 1) of paragraph 2 of Article 55 of the Tax Code of the Republic of Kazakhstan.

Following the change of the unique identification codes of depositors' bank accounts in respect of which there shall be outstanding claims, including orders accepted for enforcement by authorised state bodies with the power to suspend outgoing transactions on a bank account, as well as decisions (resolutions) of authorised bodies or officials with the right to seize a client's funds or impose encumbrances on depositors' bank accounts:

the bank to which the merger is taking place shall notify the person (body) that sent the claims to the depositor's bank account (including orders from authorised state bodies with the right to suspend expenditure transactions on the bank account, as well as decisions (resolutions) of authorised bodies or officials with the right to freeze a client's funds) or which has imposed encumbrances on depositors' bank accounts, of the change in the depositor's bank account details, including the individual identification code;

Any outstanding claims previously made against the depositor's bank account transferred to the receiving bank shall be settled by the receiving bank from the depositors' bank accounts opened with that bank, with the details of the bank being merged (name, bank identification code, business identification number) to the corresponding details of the bank to which the merger is taking place, as well as the depositor's individual identification code to the corresponding individual identification code of the depositor assigned to the bank account in accordance with the first part of this paragraph;

any previously issued but unexecuted orders from authorised state bodies possessing the right to suspend expenditure transactions on the depositor's bank account, as well as decisions (resolutions) of authorised bodies or officials with the right to freeze a client's funds, shall be executed by the bank to which the merger is taking place from the depositors' bank accounts opened by the bank to which the merger is taking place, whilst maintaining the chronological order of their receipt by the bank being merged into and in accordance with the procedure provided for by the Civil Code of the Republic of Kazakhstan.

The bank to which the depositors shall be transferred shall manage their bank accounts in accordance with the requirements of the legislation of the Republic of Kazakhstan and the terms of the banking service agreements, the obligations under which have been transferred to that bank.

Article 107. Refusal to grant authorisation for the voluntary reorganisation of a bank and a banking holding company

The competent authority may refuse to grant authorisation for the voluntary reorganisation of a bank (or banking holding company) on any of the following grounds:

1) the absence of relevant resolutions by the governing bodies of the banks (or banking holding companies) to be reorganised;

2) the proposed reorganisation would infringe upon the interests of depositors;

3) a violation, as a result of the proposed reorganisation, of the prudential standards and/or limits established by the competent authority, or the macroprudential standards and/or limits established by the National Bank of the Republic of Kazakhstan;

4) a violation, as a result of the proposed reorganisation, of the requirements of the legislation of the Republic of Kazakhstan in the field of competition protection.

Chapter 18. VOLUNTARY REORGANISATION OF A BANK BY CONVERSION INTO AN ISLAMIC BANK

Article 108. Definition of the voluntary reorganisation of a bank by conversion into an Islamic bank

Voluntary reorganisation of a bank in the form of conversion to an Islamic bank (hereinafter referred to as the conversion of a bank into an Islamic bank) shall mean a set of measures aimed at transforming the bank's activities in order to obtain the status of an Islamic bank and to carry out Islamic banking operations in accordance with the principles established by Article 35 of this Law.

Article 109. Authorisation by the competent authority for the conversion of a bank into an Islamic bank

1. The conversion of a bank into an Islamic bank shall be carried out by a resolution of the bank's general meeting of shareholders, subject to the authorisation of the competent authority.

The procedure for the competent authority to grant or refuse permission for the conversion of a bank into an Islamic bank shall be determined by this Law and by a regulatory legal act of the competent authority.

2. The following documents shall be attached to the application for authorisation from the competent authority to convert a bank into an Islamic bank:

1) the resolution of the general meeting of the bank's shareholders at which the decision to convert the bank into an Islamic bank has been taken;

2) an action plan for the conversion of the bank into an Islamic bank, in accordance with the requirements of Article 110 of this Law;

3) a copy of the strategy for the development of Islamic banking operations for the next three years, in accordance with the authorised body's requirements for the risk management and internal control systems;

4) a plan for restoring financial stability.

3. The application shall be considered by the competent authority within sixty working days of the date on which the applicant shall submit the documents specified in paragraph 2 of this Article.

If the bank submits an incomplete set of documents as specified in paragraph 2 of this Article, the authorised body shall issue a reasoned refusal to consider the application further within fifteen calendar days of receiving the documents.

4. The bank shall be entitled to withdraw its application for the competent authority's authorisation to convert the bank into an Islamic bank prior to the competent authority's decision to grant or refuse authorisation for the conversion of the bank into an Islamic bank by submitting a written application in any form.

5. The grounds for refusing to grant authorisation for the conversion of a bank into an Islamic bank shall be:

1) failure to address the comments of the competent authority regarding the submitted documents within the time limit set by it;

2) non-compliance of the action plan for the conversion of the bank into an Islamic bank with the requirements set out in Article 110 of this Law;

3) the development strategy for Islamic banking operations shall not comply with the regulatory authority's requirements regarding the risk management and internal control systems;

4) the financial forecast of the consequences of converting the bank into an Islamic bank shall indicate a deterioration in the bank's financial position as a result of such conversion;

5) a violation by the bank and/or the banking conglomerate of prudential standards and/or limits, and/or the bank having been subject to an administrative penalty for an administrative offence provided for in parts six and eight of Article 213, Article 227 of the Code of the Republic of Kazakhstan on Administrative Offences, during the three consecutive calendar months preceding the date of submission of the application for a licence to convert the bank into an Islamic bank;

6) infringement, as a result of the proposed conversion of the bank into an Islamic bank, of the legitimate interests of the bank's depositors and other creditors.

6. The competent authority shall, within the time limit specified in the first sub-paragraph of paragraph 3 of this Article, issue a licence for the conversion of a bank into an Islamic bank or provide a reasoned refusal to issue such a licence.

7. The authorised body shall revoke the authorisation issued for the conversion of a bank into an Islamic bank in the following cases:

1) where false information on the basis of which the authorisation has been issued shall be discovered;

2) the bank shall decide to voluntarily cease its activities through reorganisation in other forms or liquidation, or a court issues a decision to cease the bank's activities;

3) the bank shall fail to comply with the requirements or violations the deadlines for compliance with the requirements set out in Article 111 of this Law;

4) refusal to grant the bank a licence to carry out Islamic banking and other operations.

The bank shall be entitled to voluntarily renounce the authorisation granted to it to convert the bank into an Islamic bank by returning the authorisation to convert the bank into an Islamic bank to the competent authority.

Where a licence to convert a bank into an Islamic bank shall be revoked, or where a bank voluntarily shall relinquish the licence granted to it to convert into an Islamic bank, the competent authority shall decide to revoke the previously granted licence within two months of the date on which the fact constituting grounds for revocation shall be discovered, or of the date on which the licence shall be returned.

Article 110. Action plan for the conversion of a bank into an Islamic bank

1. The action plan for the conversion of the bank into an Islamic bank shall be approved by the bank's board of directors.

2. The action plan for the conversion of the bank into an Islamic bank must contain a detailed description of the following measures, including the deadlines for their implementation:

1) the establishment of a council on Islamic finance principles;

2) the development of standard terms and conditions for contracts relating to the conduct of Islamic banking operations, as provided for in the first part of paragraph 4 of Article 22 of this Law;

3) the determination of a list of banking and other operations:

subject to conversion into Islamic banking operations, as provided for in the first part of paragraph 4 of Article 22 of this Law;

which shall not require conversion into Islamic banking operations, the conduct of which shall be permitted to an Islamic bank in accordance with the second part of paragraph 4 of Article 22 of this Law;

which shall not require conversion to Islamic banking operations on the grounds that the contracts have expired before the end of the conversion period specified in the action plan for the conversion of the bank into an Islamic bank;

not subject to conversion to Islamic banking operations on the grounds of non-compliance with the principles established by Article 35 of this Law;

4) determining the potential volume of the bank's assets and liabilities arising from banking and other operations specified in sub-paragraph 3) of this paragraph;

5) publication of a notice of conversion in two periodicals distributed throughout the territory of the Republic of Kazakhstan, in Kazakh and Russian, and its posting on the bank's website;

6) written notification to the bank's customers of the conversion of the bank into an Islamic bank, specifying the list of banking and other operations provided for in sub-paragraph 3) of this paragraph, the deadline for submitting written refusals or consents provided for in paragraph 4 of Article 111 of this Law, and the address to which they shall to be sent;

7) reviewing and amending the bank's corporate governance, internal policies and procedures, and other internal documents to take account of new types of transactions (activities);

8) appointing senior bank executives responsible for implementing the action plan for the bank's conversion into an Islamic bank;

9) working with clients on agreements concerning the conduct of banking and other operations;

10) finalising the software for the conduct of Islamic banking operations;

11) submitting a report to the competent authority on the implementation of the measures provided for in the action plan for the conversion of the bank into an Islamic bank;

12) applying to the State Corporation for the state re-registration of the bank as an Islamic bank;

13) applying to the competent authority for a licence to carry out Islamic banking and other operations;

14) the timeframe envisaged by the bank for its conversion into an Islamic bank, which must not exceed the period specified in Article 111(7) of this Law;

15) other measures necessary for the conversion of the bank into an Islamic bank.

Article 111. The bank's operations during its conversion into an Islamic bank

1. During the conversion period, the bank shall be required to implement the measures set out in the action plan for the conversion of the bank into an Islamic bank.

2. Once authorisation has been obtained from the competent authority for the conversion of the bank into an Islamic bank, the general meeting of the bank's shareholders shall, on the recommendation of the board of directors, appoint a Sharia Advisory Board.

3. Within ten working days of receiving authorisation from the competent authority to convert the bank into an Islamic bank, the bank shall:

1) publish a notice of the conversion in two periodicals distributed throughout the territory of the Republic of Kazakhstan, in Kazakh and Russian, and post the given notice on the bank's website;

2) send a written notice to the bank's customers regarding the conversion of the bank into an Islamic bank, specifying the list of banking and other operations provided for in sub-paragraph 3) of paragraph 2 of Article 110 of this Law, the deadline for submitting written refusals or consents provided for in paragraph 4 of this Article, and the address to which they shall be sent.

4. Within thirty calendar days of receiving the written notice referred to in sub-paragraph 2 of paragraph 3 of this Article, the Bank's customers must submit to the Bank a written refusal or consent:

1) to introduce amendments to the terms of the agreement relating to banking and other transactions subject to conversion into Islamic banking transactions, as provided for in the first part of paragraph 4 of Article 22 of this Law;

2) to introduce amendments to terms of the agreement relating to banking and other transactions not requiring conversion into Islamic banking transactions, the conduct of which shall be permitted to an Islamic bank in accordance with the second part of paragraph 4 of Article 22 of this Law, in respect of a change to the bank's name associated with the conversion of the bank into an Islamic bank;

3) the assignment of a right (claim) or the transfer of a debt under contracts relating to banking and other operations not requiring conversion into Islamic banking operations on the grounds of the expiry of the term of the contracts prior to the end of the conversion period

specified in the authorising body's permission for the conversion of the bank into an Islamic bank, or which shall not be subject to conversion on the grounds of non-compliance with the principles of Islamic banking operations established by Article 36 of this Law.

Failure to provide a response within the time limit specified in the first part of this paragraph:

in relation to sub-paragraphs 1) and 2) of the first part of this paragraph, shall be deemed to constitute the client's refusal;

in relation to sub-paragraph 3) of the first part of this paragraph, shall be deemed to constitute the client's consent.

Where the customer provides a written refusal in respect of the agreements specified in sub-paragraphs 1), 2) and 3) of the first part of this paragraph, the validity of such agreements shall be terminated prior to the bank submitting the report specified in paragraph 1 of Article 112 of this Law to the authorised body.

The measures provided for in sub-paragraphs 1) and 2) of the first part of this paragraph shall be carried out by concluding a supplementary agreement to the contract containing the terms and conditions for the conduct of Islamic banking operations or providing for a change in the bank's name in connection with the bank's conversion into an Islamic bank, subject to its entry into force upon the bank's receipt of a licence to conduct Islamic banking and other operations.

Where there shall be outstanding claims against the bank accounts of the bank's customers (including orders from authorised state bodies with the right to suspend expenditure transactions on a bank account, as well as decisions (resolutions) of authorised bodies or officials with the right to freeze a client's funds) and where there shall be insufficient or no funds (including the absence of any movement of funds for over a year), the bank shall be entitled to recover such claims and close the bank accounts.

5. The authorisation for the conversion of a bank into an Islamic bank must be returned by the bank to the competent authority upon the issue of a licence to the bank to carry out Islamic banking and other operations, or upon a court ruling to cease the bank's operations, as well as in the event of the authorisation being revoked by the competent authority.

6. During the period of its conversion into an Islamic bank, the bank shall be prohibited from extending the term of contracts and/or entering into new contracts for the conduct of banking and other operations, as well as from carrying out activities on the securities market, as provided for in paragraphs 2, 3 and 5 of Article 22 of this Law.

7. The period for the conversion of a bank into an Islamic bank may not exceed five years. Such a period may be extended by the competent authority, upon application by the bank, for a period not exceeding one year.

8. The decision on the use of income received by the bank during the conversion period from transactions that shall not comply with the principles established by Article 35 of this Law shall be taken by the bank's Sharia Board.

Article 112. State re-registration of a bank with the State Corporation and the issue of a licence to carry out Islamic banking and other operations

1. No later than six months before the expiry of the conversion period specified in the authorising body's licence, the bank shall submit to the authorising body a report on the implementation of the measures set out in the action plan for the conversion of the bank into an Islamic bank, together with supporting documents.

2. If there are any comments on the report referred to in paragraph 1 of this Article, the authorised body shall be entitled to require the bank to carry out additional measures and/or provide additional information and documents. The bank shall be obliged to take into account the comments of the authorised body (to carry out the required additional measures and/or provide additional information and documents) and to resubmit to the authorised body a report on the implementation of the measures provided for in the action plan for the conversion of the bank into an Islamic bank, together with supporting documents, within the time limit set by the authorised body.

3. The competent authority shall approve or refuse to approve the report on the implementation of the measures provided for in the action plan for the conversion of the bank into an Islamic bank within two months of the date of its submission to the competent authority.

4. Following approval by the competent authority of the report referred to in paragraph 1 of this Article, the bank shall, within thirty calendar days, apply to the State Corporation for the bank's state re-registration.

The articles of association of an Islamic bank must contain the information specified in paragraph 5 of Article 7 of this Law.

5. The bank shall, within thirty calendar days of the date of state re-registration with the State Corporation, but no later than thirty working days before the expiry of the conversion period specified in the authorising body's permit, apply to the authorising body with a request :

1) for the issue of a licence to carry out Islamic banking and other operations, accompanied by the following documents:

a notarised copy of the Islamic bank's articles of association;

a document confirming payment to the budget of the licence fee for the right to engage in specific types of activity;

the regulations of the Sharia Board;

information on the individuals appointed to the positions of head and members of the Sharia Board, confirming their compliance with the requirements established by Article 36 of this Law;

the rules on the general conditions for the conduct of Islamic banking and other operations ;

the rules governing the internal credit policy of the Islamic bank;

2) the renewal of the licence to operate in the securities market (where applicable) in accordance with the procedure set out in the Law of the Republic of Kazakhstan "On Permits and Notifications".

6. An application for the issue of a licence to carry out Islamic banking and other operations and for the renewal of a licence to operate in the securities market shall be considered by the authorised body within thirty working days from the date of submission of documents that meet the requirements of the legislation of the Republic of Kazakhstan.

The procedure for licensing Islamic banking and other operations shall be set out in Article 19 of this Law.

7. From the moment a licence to carry out Islamic banking and other operations shall be issued to a bank:

1) any previously issued licence to carry out banking and other operations shall cease to be valid;

2) the conversion of the bank into an Islamic bank shall be deemed complete.

The bank shall, within ten working days of receiving the licence to carry out Islamic banking and other operations and the reissued licence to operate in the securities market, return the originals of the licences previously issued to it to the authorised body.

CHAPTER 8. LIQUIDATION Chapter 19. GENERAL PROVISIONS ON THE LIQUIDATION OF A BANK

Article 113. Types and grounds for the liquidation of banks

1. A bank may be liquidated:

1) by resolution of its shareholders, subject to authorisation by the competent authority (voluntary liquidation);

2) by court order in the cases provided for by the Laws of the Republic of Kazakhstan (compulsory liquidation).

2. The liquidation of a bank shall be carried out in accordance with this Law and other regulatory legal acts of the Republic of Kazakhstan.

Footnote. Article 113, as amended by the Law of the Republic of Kazakhstan dated 11.06.2026 № 306-VIII (shall enter into force from 01.07.2026).

Article 114. Committee of Creditors of a Bank in Liquidation

1. A creditors' committee shall be established to safeguard the interests of creditors and to ensure their participation in decision-making during the voluntary or compulsory liquidation of a bank.

The composition of the creditors' committee shall be approved by the competent authority upon the recommendation of the bank's liquidation commission.

2. The specific arrangements for the formation and operation of the creditors' committee shall be laid down in regulatory legal acts issued by the authorised body.

Article 115. Powers of the authorised body in the liquidation of a bank

1. For the purposes of supervising the activities of the liquidation commissions of banks undergoing voluntary or compulsory liquidation, the authorised body shall be entitled to:

1) determine the format, deadlines and frequency for the submission of reports and additional information by the liquidation commissions;

2) obtain other necessary information from the liquidation commissions;

3) carry out inspections of the activities of liquidation commissions in accordance with the procedure established by the Laws of the Republic of Kazakhstan;

4) where deficiencies and/or risks are identified in the activities of liquidation commissions which may lead to a situation that shall threaten the rights and legitimate interests of depositors and other creditors, or where violations of the rights and legitimate interests of depositors and other creditors, or violations of the legislation of the Republic of Kazakhstan, shall be identified, to issue written instructions, binding on the liquidation commissions, to remedy the identified shortcomings and/or risks in the activities of the liquidation commissions, violations and/or causes, as well as the conditions that contributed to their occurrence within the specified time limit, and/or to submit an action plan within the specified time limit.

The action plan, submitted within the time limit specified in the written instruction, shall include descriptions of the violations, the causes leading to their occurrence, a list of planned measures, the deadlines for their implementation, and the responsible officials;

5) in the event that the liquidation commission fails to comply within the prescribed time limit with a written order to replace members of the liquidation commission, or to demand their replacement in the event of the voluntary liquidation of the bank, to apply the measures provided for by the legislation of the Republic of Kazakhstan, and to apply to the courts or the public prosecutor's office to protect the rights and legitimate interests of depositors and other creditors;

6) to establish the specific features and procedure for drawing up and approving the estimate of liquidation expenditures;

7) determine the requirements for liquidation commissions to comply with the rules on the storage of cash in the cash office, the conduct of cash receipts and disbursements, the maintenance of cash documents, the control of cash expenditure, cash balance limits, and the deadlines for depositing cash into the liquidation commission's current account.

2. In the event of a violation by the liquidation commission of the legislation of the Republic of Kazakhstan, the chairperson and the head of a subdivision of the liquidation commission shall bear the liability established by the Laws of the Republic of Kazakhstan.

Article 116. The liquidation estate of a bank

1. The liquidation estate of a bank shall comprise the bank's assets, as well as the assets of other persons in the cases provided for by this Law, against which enforcement proceedings may be brought in the course of the bank's compulsory liquidation.

The procedure for the formation and inventory of the bank's liquidation estate shall be determined by a regulatory legal act of the authorised body.

2. The liquidation estate of the bank shall not include:

1) segregated assets serving as collateral for bonds issued in accordance with the legislation of the Republic of Kazakhstan on project finance and securitisation.

The ring-fenced assets shall be transferred by the liquidation commission to the management (with the right to realise the ring-fenced assets and to enforce claims against the mortgaged property and other collateral forming part of the ring-fenced assets) of the representative of the bondholders of the special financial company in accordance with the procedure established by a regulatory legal act of the authorised body;

2) collateral property serving as security for mortgage bonds in the form of rights (claims) under mortgage loan agreements (including mortgage certificates), as well as government securities of the Republic of Kazakhstan in cases where ownership of such bonds arose in their holders or passed to them through transactions or on other grounds provided for by the Laws of the Republic of Kazakhstan.

Collateral serving as security for mortgage bonds shall be transferred by the liquidation commission to the representative of the mortgage bond holders to satisfy the claims of the creditors of the mortgage bond issuer;

3) security fees provided to the creditor in accordance with the procedure and on the terms specified in the transaction(s) under the general financial agreement, prior to the date on which the bank's banking licence to carry out all types of operations has been revoked or proceedings for the compulsory liquidation of the bank have been initiated, whichever of these dates occurred first;

4) securities owned by third parties and entrusted to the custodian bank for storage and accounting, as well as pension assets, assets of the social health insurance fund, assets of the special reserve of the organization carrying out the mandatory guarantee of deposits, assets of investment funds, allocated assets of special financial companies entrusted to the custodian bank for accounting and storage.

Pension assets, assets of the social health insurance fund, transfers allocated to the guaranteed amount of free medical care, assets of a special reserve of an organization that shall carry out mandatory guarantee of deposits, assets of investment funds, allocated assets of special financial companies entrusted to the custodian bank for storage and accounting, transferred to another bank at the request of the social health insurance fund, a voluntary funded pension fund, an organization that shall carry out mandatory guarantee of deposits, a joint-stock investment fund, a special financial company, and a unit investment fund management company.

3. The liquidation mass of a bank with a universal banking license carrying out Islamic banking operations shall not include property acquired at the expenditure of money attracted under an investment deposit agreement. The specified property, as well as obligations on

investment deposits, shall be subject to transfer by the liquidation commission to another bank with a universal banking license carrying out Islamic banking operations, an Islamic bank.

The procedure for selecting a bank with a universal banking license carrying out Islamic banking operations, an Islamic bank and transferring to it property acquired at the expenditure of money attracted under an investment deposit agreement and obligations on investment deposits of a liquidated bank with a universal banking license carrying out Islamic banking operations shall be established by a regulatory legal act of the authorized body.

Chapter 20. VOLUNTARY LIQUIDATION OF THE BANK

Article 117. Voluntary liquidation

1. After the general meeting of shareholders of the bank shall decide on its voluntary liquidation, the bank shall be obliged to take measures to return deposits of individuals by their direct payment or their transfer to another bank or branch of a non-resident bank of the Republic of Kazakhstan, which shall be participants in the mandatory deposit guarantee system.

The transfer of deposits of individuals to a branch of a non-resident bank of the Republic of Kazakhstan shall be carried out in compliance with the conditions provided for in part two of paragraph 7 of Article 22 of this Law.

The procedure for issuing a permit for voluntary liquidation of a bank, as well as the procedure for returning deposits of individuals, transferring them to another bank or a branch of a non-resident bank of the Republic of Kazakhstan shall be determined by a regulatory legal act of the authorized body.

2. After the return of deposits of individuals, the bank has the right to apply to the authorized body with a request to issue a permit for its voluntary liquidation.

The given petition shall be accompanied by:

a list of measures to terminate the bank's activities, indicating the timing of their implementation, approved by the general meeting of shareholders of the bank;

the bank's balance sheet showing that the bank shall have sufficient funds to settle its liabilities;

other necessary information.

The list of documents and information attached to the application for a permit for voluntary liquidation of a bank shall be established by a regulatory legal act of the authorized body.

3. the application for issuing a permit for voluntary liquidation of the bank must be considered by the authorized body within two months from the date of acceptance of the application for obtaining a permit for voluntary liquidation of the bank.

In case of refusal to issue a permit for voluntary liquidation of the bank, the authorized body makes a reasoned decision about this, which it brings to the attention of the bank.

4. Refusal to issue a permit for voluntary liquidation of a bank shall be made by an authorized body on any of the following grounds:

1) incompleteness or improper execution of the submitted documents;

2) insufficient funds of the bank for calculating its obligations;

3) failure to take measures to return deposits of individuals by their direct payment or their transfer to another bank or branch of a non-resident bank of the Republic of Kazakhstan, which shall be participants in the mandatory deposit guarantee system.

5. Upon obtaining permission for voluntary liquidation, the bank shall create a liquidation commission, to which the powers to manage the property and affairs of the bank shall be transferred.

The specifics of the activities of the liquidation commission of a voluntarily liquidated bank shall be determined by the regulatory legal acts of the authorized body.

6. The authorized body shall monitor the activities of the liquidation commission of a voluntarily liquidated bank.

7. After obtaining permission for voluntary liquidation, the bank shall be obliged to publish information about this in Kazakh and Russian in two periodicals distributed throughout the Republic of Kazakhstan, as well as post it on the bank's Internet resource.

8. The Liquidation Commission shall be obliged to submit them to the State Corporation and the authorized body within seven calendar days after the approval of the liquidation balance sheet and the bank liquidation report.

Upon completion of the liquidation of the bank, the liquidation commission shall be obliged to submit documents for storage to the archive in accordance with the established procedure and notify the authorized body about this.

9. The bank shall be subject to compulsory liquidation in case of insufficient funds to satisfy the claims of all creditors of the voluntarily liquidated bank.

Due to the impossibility of completing the voluntary liquidation process, the authorized body shall apply to the court with an application for forced liquidation of the bank.

Chapter 21. COMPULSORY LIQUIDATION OF THE BANK

Article 118. Grounds for compulsory liquidation of the bank

Compulsory liquidation of the bank shall be carried out on the basis of a court decision that has entered into legal force in connection with:

1) deprivation of a bank license to carry out all types of operations on the grounds provided for by this Law;

2) applying to the court with an application (claim) of authorized state bodies on the compulsory liquidation of the bank on other grounds provided for by the Laws of the Republic of Kazakhstan;

3) the impossibility of completing the process of voluntary liquidation of the bank in case of insufficient funds to satisfy the claims of all creditors of the voluntarily liquidated bank.

Article 119. Liquidation of the bank on other grounds

1. Compulsory liquidation of a bank in the event that a case shall be initiated by a court on application to a court with an application (claim) of authorized state bodies in the absence of a decision to deprive the bank of a bank license to carry out all types of operations, shall be carried out in accordance with this Law.

2. The court shall send the decision on the forced liquidation of the bank to the authorized body.

From the date of entry into force of the court decision on forced liquidation of the bank in a case initiated on the basis provided for in subparagraph 2) of Article 118 of this Law, the bank shall lose its banking license to carry out all types of operations.

Article 120. Conditions and procedure for compulsory liquidation

1. From the date of entry into force of the court decision on the forced liquidation of the bank:

the consequences provided for in subparagraphs 1), 2), 4), 5), 6), 7), 8) and 9) of paragraph 1 of Article 84 of this Law;

the powers of the previous bodies of the bank shall be terminated, senior employees, and, if necessary, other employees shall be dismissed in the manner prescribed by the labor legislation of the Republic of Kazakhstan.

2. All expenditures related to the compulsory liquidation of the bank shall be made only at the expenditure of this bank, with the exception of cases provided for in paragraph 10 of Article 84 of this Law.

3. The bank's property shall be assessed by the liquidation commission in accordance with the legislation of the Republic of Kazakhstan on appraisal activities.

4. The bank’s liabilities denominated in foreign currency shall be recorded in KZT at the official exchange rate set by the National Bank of the Republic of Kazakhstan on the date on which the court’s decision on the compulsory liquidation of the bank shall enter into force.

5. The interim liquidation balance sheet and the register of claims of creditors of a forcibly liquidated bank shall be approved by the authorized body.

6. Until the interim liquidation balance is approved, it shall be allowed to carry out offset of homogeneous counterclaims.

After approval of the interim liquidation balance sheet, the offset of homogeneous counter claims shall be made only when the corresponding queue of satisfaction of the claim of this creditor occurs.

At any stage of compulsory liquidation, it shall be prohibited to offset homogeneous counterclaims arising against a compulsory liquidation bank:

from the assignment agreement (claim);

as a result of the reorganization of legal entities affiliated with each other on the date of the issuance of a bank loan and (or) the completion of another transaction from which the requirement arises.

7. The property of a compulsory liquidated bank shall be sold by the bank's liquidation commission in accordance with the procedure established by the regulatory legal acts of the authorized body.

8. The authorized body shall control the activities of the liquidation commission.

9. The liquidation commission shall submit to the court a liquidation report and liquidation balance agreed with the authorized body.

The court shall have the right to request from the authorized body and the liquidation commission any information related to liquidation proceedings.

The court shall approve the liquidation report and liquidation balance and shall make a decision on the completion of liquidation proceedings.

The liquidation commission shall send a copy of the court ruling to the State Corporation and the authorized body.

The liquidation commission shall be obliged to submit them to the State Corporation within thirty calendar days after approval of the liquidation balance sheet and liquidation report, and copies of these documents to the authorized body.

After the completion of the compulsory liquidation of the bank, the liquidation commission shall be obliged to submit the documents for storage to the archive in accordance with the established procedure and notify the authorized body about this.

10. After registering the termination of the bank's activities, the liquidation commission within five working days shall submit to the authorized body a copy of the order on registration of the termination of the bank's activities.

Footnote. Article 120, as amended by the Law of the Republic of Kazakhstan dated 11.06.2026 № 306-VIII (shall enter into force from 01.07.2026).

Article 121. Liquidation commission of compulsory liquidated bank

1. After making a decision on the compulsory liquidation of the bank, the court shall initiate liquidation proceedings and shall impose on the authorized body the obligation to create a liquidation commission of the bank, taking into account the presence of branches and representative offices of the bank.

The liquidation commission of the bank shall take measures to complete the affairs of the bank and ensure settlements with its depositors and other creditors.

2. The procedure for appointing and releasing the liquidation commission of a compulsory liquidated bank, the requirements for the chairman and members of the liquidation commission, as well as the procedure for liquidation and the requirements for the work of the liquidation commission shall be determined by the regulatory legal acts of the authorized body.

3. The rights and obligations of the chairman and members of the liquidation commission of a compulsory liquidated bank, including the right to remuneration, the scope of powers to manage the affairs and property of a compulsory liquidated bank shall be regulated by the regulatory legal acts of the authorized body and the agreement concluded by the liquidation

commission with the committee of creditors, taking into account the requirements established by the legislation of the Republic of Kazakhstan.

The monthly amount of remuneration paid to the chairman, members of the bank's liquidation commission and other attracted employees should not exceed for each of them the amount of the tenfold minimum wage established by the Law on the republican budget for the corresponding financial year.

4. The authorized body shall have the right to involve individuals specializing in the provision of bank liquidation services to carry out the procedure of compulsory liquidation of a bank on behalf of the authorized body.

The requirements imposed on individuals involved in the compulsory liquidation of banks , the procedure for choosing a legal entity specializing in the provision of bank liquidation services, as well as the procedure for the compulsory liquidation of banks with their participation shall be determined by the regulatory legal acts of the authorized body.

Article 122. Recognition of transactions as invalid and return of property

1. the liquidation commission of a compulsory liquidated bank, including at the request of creditors, on transactions made by the bank within three years before the date of entry into force of the court decision on forced liquidation of the bank, shall have the right to apply to the court with an application for invalidation of transactions if there are grounds for invalidity of transactions provided for by the Civil Code of the Republic of Kazakhstan, Laws of the Republic of Kazakhstan and (or) this Article.

2. The grounds for recognition of invalidity of transactions, except for those provided for by the Civil Code of the Republic of Kazakhstan, Laws of the Republic of Kazakhstan, shall be:

1) the terms of the transaction shall differ significantly for the worse for the bank from the conditions under which similar transactions shall be made in comparable circumstances, if the consequences of the transaction led (will lead) to losses of the bank;

2) the transaction has made by the bank in violation of the requirements and (or) restrictions established by the legislation of the Republic of Kazakhstan and (or) supervisory response measures applied by the authorized body, if the consequences of the transaction led (will lead) to losses of the bank;

3) the bank's property has been transferred (including for temporary use) free of charge or alienated on conditions that significantly differ for the worse for the bank from the conditions for the transfer (alienation) of similar property under comparable economic conditions, or without grounds to the detriment of the interests of the bank's creditors;

4) a transaction made within six months before the date of the start of the settlement regime or forced liquidation of the bank entailed preferential satisfaction of the claims of some bank creditors over others;

5) the terms of the pledge agreement have been amended to change the subject of the pledge for the worse for the bank if the consequences of the introduction of amendments made led (will lead) to losses of the bank.

3. If the transaction is recognized as invalid, the defendant shall be obliged to return everything received under the transaction, and if it is impossible to return in kind, to reimburse the cost of the property subject to return, work performed or services rendered.

If it is impossible to return the property or in case of gratuitous transfer of property due to its loss, damage or subsequent bona fide acquisition by third parties, the initial purchasers of the claimed property are liable to compensate for the losses incurred in connection with this within the value of the property lost, damaged or acquired in good faith by third parties.

If it is impossible to reimburse the value of the property by the original purchasers, the individual who made the decision to alienate the bank's property must be brought to subsidiary liability in court.

4. The provisions of paragraphs 1 and 3 of this Article shall apply, inter alia, to the bank's decisions on the accrual and payment of dividends to large members of the bank, bank holdings, as well as to agreements and orders on the payment of remuneration to senior employees of the bank and to such payments themselves.

The invalidity of the bank's decisions on accrual and (or) payment of dividends to large members of the bank, bank holdings, as well as agreements and (or) orders on the payment of remuneration to senior employees of the bank and such payments themselves shall be a violation of the requirements and (or) restrictions established by the legislation of the Republic of Kazakhstan and (or) supervisory response measures applied by the authorized body to the procedure and (or) grounds for accrual and (or) payment:

dividends to the bank's shareholders;

remuneration to the bank's executives.

5. The provisions of paragraph 2 of this Article shall not apply to the transaction (s) under the master financial agreement, except in the following cases:

1) a transaction (transactions) within the framework of the general financial agreement shall be (are) made after the date of the beginning of the forced liquidation of the bank or within one month before the date of the beginning of the compulsory liquidation of the bank;

2) a transaction (transactions) within the framework of the general financial agreement has been (were) completed within one month before the date of deprivation of the bank's license to carry out all types of operations;

3) a transaction (transactions) within the framework of the general financial agreement has been (were) made within six months before the date of the beginning of the settlement or compulsory liquidation of the bank with an individual associated with the bank in a special relationship or in its interests;

4) a transaction (transactions) within the framework of the general financial agreement has been (were) made within six months before the date of the start of the settlement or

compulsory liquidation of the bank or the date of deprivation of the bank's license to carry out all types of transactions with an individual who knew (or should have known) that there have been signs of financial instability of the bank;

5) under the transaction (transactions) within the framework of the general financial agreement, the parties have been changed (except for the change of parties as a result of universal succession) in one of the following cases:

after the date of commencement of compulsory liquidation of the bank or within one month prior to the date of commencement of compulsory liquidation of the bank;

within one month before the date of the bank's revocation for all types of operations;

within six months prior to the start date of the settlement or compulsory liquidation of the bank with an individual associated with the bank in a special relationship;

within six months prior to the date of commencement of the settlement or compulsory liquidation of the bank or the date of revocation of the bank's license to carry out all types of transactions with an individual who shall have known (or should have known) that there were signs of financial instability of the bank.

6. The invalidity of one or more transactions within the framework of the master financial agreement shall not entail the invalidity of the master financial agreement itself and the remaining transactions within the framework of the master financial agreement, if there are no grounds for invalidating them in relation to the master financial agreement and the remaining transactions.

If one or more transactions under the master financial agreement are recognized as invalid after the determination of the net obligation (net claim), the net obligation (net claim) shall be subject to recalculation by the party to the transaction to which the net obligation (net claim) has been determined by excluding from it the results of the transaction or transactions recognized as invalid.

Article 123. Priority of satisfaction of creditors' claims involuntarily liquidated bank

1. Claims of creditors of the bank being compulsory liquidated shall be satisfied in accordance with the procedure established by this Article.

2. Expenditures related to liquidation proceedings, including those related to ensuring the activities of the bank's liquidation commission, are incurred out of turn at the expenditure of money and (or) other property of the forcibly liquidated bank.

3. Claims of creditors recognized in accordance with the established procedure are satisfied in the following order:

1) first of all, the requirements shall be met:

individuals to whom the involuntarily liquidated bank shall be responsible for causing harm to life or health by capitalizing the corresponding time payments;

payment of alimony withheld from wages and (or) other income;

remuneration and compensation to individuals who worked under an employment contract , with the exception of senior employees of a compulsory liquidated bank;

on repayment of debts on social contributions to the State Social Insurance Fund;
payment of mandatory pension contributions deducted from wages;
on the payment of mandatory pension contributions of the employer;
payment of mandatory professional pension contributions;
payment of deductions for compulsory social health insurance;
on payment of royalties under author's contracts;

2) in the second place, the requirements of the organization carrying out the mandatory guarantee of deposits shall be met in the amount of compensation paid (paid) by it for guaranteed deposits and (or) in the amount of the replenished difference between the size of the bank's property and the size of obligations on guaranteed deposits transferred to another (other) bank (banks), stabilization bank as part of the operation to simultaneously transfer assets and obligations of the bank in settlement mode;

3) in the third place, the requirements shall be met:

clearing organization performing the functions of a central counterparty, which arose as a result of transactions with the participation of a central counterparty previously concluded and not performed by a compulsory liquidated bank, which shall be a clearing member of this clearing organization;

pledged creditors in an amount not exceeding the value of the pledged property;

4) the requirements shall be met in the fourth turn:

on deposits of individuals who shall not be shareholders of the bank, including interest-free demand deposits placed with a forced liquidation bank with a universal banking license carrying out Islamic banking operations, an Islamic bank;

on transfers of money of individuals;
on deposits made at the expenditure of pension assets;
on deposits of insurance organizations operating in the life insurance industry;

5) the requirements for deposits of non-profit organizations shall be satisfied in the fifth place, engaged exclusively in charity, organizations of veterans of the Great Patriotic War, organizations of veterans, equal in benefits to veterans of the Great Patriotic War, organizations of war veterans on the territory of other states, Voluntary Society of Persons with Disabilities of the Republic of Kazakhstan, Kazakh Society of the Blind, The Kazakh Society of the Deaf, as well as production organizations that shall be subsidiaries of these legal entities, and other organizations of persons with disabilities;

6) sixth, the requirements for deposits of other legal entities that shall not be shareholders of the bank shall be satisfied;

7) the seventh stage shall repay arrears in taxes, fees and other mandatory payments to the budget, as well as the return of loans issued at the expenditure of the republican budget and the National Fund of the Republic of Kazakhstan;

8) in the eighth stage, the claims of other creditors who are not shareholders of the bank shall be satisfied, with the exception of claims that shall be satisfied in the tenth, eleventh or twelfth turn;

9) the ninth stage shall satisfy the claims of creditors who are shareholders of the bank, with the exception of claims that shall be satisfied in the tenth, eleventh or twelfth stage;

10) in the tenth stage, creditors' claims on the bank's instruments providing the general ability to absorb (cover) losses shall be satisfied, with the exception of claims that shall be satisfied in the eleventh or twelfth stage;

11) the eleventh stage shall satisfy the creditors' claims on the subordinated debt of the involuntarily liquidated bank;

12) in the twelfth stage, creditors' claims on perpetual financial instruments of a forcibly liquidated bank shall be satisfied.

4. The requirements of each queue shall be satisfied after the requirements of the previous queue shall be fully satisfied.

The creditor's claim with his consent may be satisfied in ways that do not contradict the legislation of the Republic of Kazakhstan, including in monetary form and (or) through the transfer of property in kind.

5. When satisfying the claims of creditors of one stage, the money and (or) other property of the bank being liquidated are distributed simultaneously among the creditors of this stage in proportion to the amounts of claims to be satisfied, with the exception of the claims of collateral creditors.

6. When determining the amount of the pledge creditor's claim, the debt on the obligation in the part secured by the pledge shall be taken into account.

Claims of the secured creditor shall be satisfied within the following limits:

the amount of proceeds from the sale of the pledged property, in case of refusal of the pledged creditor to accept the pledged property in kind;

the market value of the pledged property, confirmed by the appraiser, in case of consent of the pledged creditor to accept the pledged property in kind, minus administrative costs associated with the assessment and maintenance of such pledged property.

The number of claims of the pledged creditor, exceeding the amount of the proceeds from the sale of the pledged property, or the size of the market value of the pledged property, confirmed by the appraiser, shall be to be included in the eighth stage.

In case of receipt of insurance payment for the loss or damage to the pledged property, the claims of the pledged creditor shall be subject to satisfaction in the part not covered by the insurance payment in the amount of the remaining value of the pledged property.

In case of loss of pledged property, the claims secured by the lost pledged property shall be included in the eighth stage.

Chapter 22. TERMINATION OF NON-RESIDENT BANK BRANCH OF THE REPUBLIC OF KAZAKHSTAN

Article 124. Types and grounds for termination of activities of a bank branch non-resident of the Republic of Kazakhstan

1. The branch of a non-resident bank of the Republic of Kazakhstan may be terminated:

1) by the decision of the non-resident bank of the Republic of Kazakhstan, adopted on the basis of consent (permission) of the financial supervision body of the state of which the non-resident bank of the Republic of Kazakhstan shall be a resident, or confirmation from the financial supervision body of the relevant state that such consent (permission) under the legislation of the state of which the non-resident bank of the Republic of Kazakhstan shall be a resident shall not be required, subject to the permission of the authorized body (voluntary termination of activities);

2) by the decision of the authorized body on the deprivation of a branch of a non-resident bank of the Republic of Kazakhstan of a banking license to carry out all operations or a court decision in the cases provided for by Article 126 of this Law (compulsory termination of activities).

2. Termination of the branch of a non-resident bank of the Republic of Kazakhstan shall be carried out in accordance with this Law and other regulatory legal acts of the Republic of Kazakhstan.

Article 125. Creditors' Committee of the bank branch - non-resident of the Republic of Kazakhstan

1. In order to ensure the rights and legitimate interests of depositors and other creditors of a branch of a non-resident bank of the Republic of Kazakhstan and to make decisions with their participation in the procedures of voluntary and compulsory termination of the activities of a branch of a non-resident bank of the Republic of Kazakhstan, a committee of creditors shall be created.

The composition of the committee of creditors voluntarily or compulsory terminating the activities of a branch of a non-resident bank of the Republic of Kazakhstan shall be approved by the authorized body on the submission of the liquidation commission of a branch of a non-resident bank of the Republic of Kazakhstan.

2. The specifics of the formation and activities of the creditors' committee shall be established by the regulatory legal acts of the authorized body.

Article 126. Conditions and procedure for compulsory termination of activities branch of a non-resident bank of the Republic of Kazakhstan

1. Compulsory termination of the branch of a non-resident bank of the Republic of Kazakhstan shall be carried out:

1) by the decision of the authorized body in connection with the deprivation of a branch of a non-resident bank of the Republic of Kazakhstan of a banking license to carry out all types

of operations on the grounds provided for by this Law, including in connection with the decision of the financial supervision body of the state, whose resident shall be a non-resident bank of the Republic of Kazakhstan, on the deprivation of a non-resident bank of the Republic of Kazakhstan of a license (permits) to carry out banking activities and (or) compulsory liquidation (termination of activities) of a non-resident bank of the Republic of Kazakhstan;

2) by a court decision in connection with an application (claim) of an authorized state body to terminate the activities of a branch of a non-resident bank of the Republic of Kazakhstan on other grounds provided for by the Laws of the Republic of Kazakhstan.

The court decision on the compulsory termination of the branch of a non-resident bank of the Republic of Kazakhstan shall be sent to the authorized body to carry out the procedure for termination of the branch of a non-resident bank of the Republic of Kazakhstan in the manner prescribed by this Article.

From the date of entry into force of the court decision on the forced termination of the branch of the bank - non-resident of the Republic of Kazakhstan on the basis specified in the first part of this subparagraph, the branch of the bank - non-resident of the Republic of Kazakhstan shall lose its banking license to carry out all types of operations.

2. From the date of deprivation of a branch of a non-resident bank of the Republic of Kazakhstan of a banking license to carry out all types of operations:

1) all operations on bank accounts of customers and the branch of a non-resident bank of the Republic of Kazakhstan shall be terminated, except for cases related to:

expenditures related to the forced termination of the branch of a non-resident bank of the Republic of Kazakhstan, provided for by the regulatory legal acts of the authorized body;

crediting the money received in favor of the branch of the bank - non-resident of the Republic of Kazakhstan;

return of money received and received in favor of individuals whose bank accounts shall be closed, as well as money received and received according to erroneous instructions;

execution of instructions on money transfers to a branch of a non-resident bank of the Republic of Kazakhstan after its banking license shall be revoked, provided that the individuals who gives such instructions and the individuals in favor of whom the transfer shall be made does not have a debt to the branch of a non-resident bank of the Republic of Kazakhstan or the specified individuals pay off the existing debt to the branch of a non-resident bank of the Republic of Kazakhstan;

2) managers, and, if necessary, other employees of the branch of the bank - non-resident of the Republic of Kazakhstan shall be subject to removal from the performance of labor duties and dismissal in accordance with the labor legislation of the Republic of Kazakhstan;

3) founders (participants), bodies of a non-resident bank of the Republic of Kazakhstan, senior employees of a non-resident bank of the Republic of Kazakhstan specified in part three of paragraph 4 of Article 45 of this Law shall not be entitled to dispose of the property of a

non-resident bank of the Republic of Kazakhstan located in the territory of the Republic of Kazakhstan;

4) collection of money from the bank accounts of a branch of a non-resident bank of the Republic of Kazakhstan on the requirements of creditors, state revenue bodies, including those subjects to satisfaction in an indisputable manner, as well as foreclosure on the property of a non-resident bank of the Republic of Kazakhstan located in the Republic of Kazakhstan shall not be allowed;

5) the execution of previously adopted court decisions in relation to a branch of a non-resident bank of the Republic of Kazakhstan shall be suspended;

6) obligations to repay the principal debt, remuneration and forfeit (fine, penalties) shall be fulfilled by debtors of the branch of a non-resident bank of the Republic of Kazakhstan in accordance with the concluded bank loan agreements and other transactions.

3. The liabilities of a branch of a bank that shall be a non-resident of the Republic of Kazakhstan, denominated in foreign currency, shall be recorded in KZT at the official exchange rate set by the National Bank of the Republic of Kazakhstan on the date of the decision by the authorized body to revoke the banking license of the branch of a bank that shall be a non-resident of the Republic of Kazakhstan to carry out all operations.

4. The procedure for compulsory termination of the branch of a non-resident bank of the Republic of Kazakhstan shall be carried out in accordance with paragraphs 3, 5, 6 and 7 of Article 120 and Article 123 of this Law.

Satisfaction of claims of creditors of the branch of the bank - non-resident of the Republic of Kazakhstan and all expenditures related to the forced termination of the branch of the bank - non-resident of the Republic of Kazakhstan shall be made only at the expenditure of the bank - non-resident of the Republic of Kazakhstan, including the assets of the branch - non-resident of the Republic of Kazakhstan, accepted as a reserve.

It shall be prohibited to finance by the authorized body expenditures related to the forced termination of the branch of a non-resident bank of the Republic of Kazakhstan, with the exception of expenditures related to the remuneration of employees of the authorized body included in the liquidation commission of a branch of a non-resident bank of the Republic of Kazakhstan.

5. To satisfy the claims of creditors of a branch of a non-resident bank of the Republic of Kazakhstan, the liquidation commission of a branch of a non-resident bank of the Republic of Kazakhstan that forcibly shall terminate its activities has the right to use the assets of the branch of a non-resident bank of the Republic of Kazakhstan, including those accepted as a reserve, and money in bank accounts opened for the activities of the branch of a non-resident bank of the Republic of Kazakhstan.

In case of insufficient assets of a branch of a non-resident bank of the Republic of Kazakhstan, including those accepted as a reserve, a non-resident bank of the Republic of Kazakhstan shall satisfy the requirements of creditors of a branch of a non-resident bank of the Republic of Kazakhstan in accordance with a written obligation previously submitted to the authorized body in accordance with subparagraph 3) of paragraph 10 of Article 19 of this Law.

The authorized body shall approve the report on the termination of the branch of a non-resident bank of the Republic of Kazakhstan and shall decide to complete the procedure for the compulsory termination of the branch of a non-resident bank of the Republic of Kazakhstan.

Upon completion of the procedure for compulsory termination of the activities of a branch of a non-resident bank of the Republic of Kazakhstan, the liquidation commission shall be obliged to submit documents for storage to the archive in accordance with the established procedure and notify the authorized body about this.

After a branch of a non-resident bank of the Republic of Kazakhstan shall be deregistered, the liquidation commission of a branch of a non-resident bank of the Republic of Kazakhstan that ceases to operate forcibly shall submit a copy of the certificate of deregistration of the branch to the authorized body within five business days.

6. The exchange of information between the authorized body and the financial supervision body of the relevant foreign state, whose resident shall be a non-resident bank of the Republic of Kazakhstan, on the progress and results of the liquidation procedure of a non-resident bank of the Republic of Kazakhstan shall be carried out on the basis and in the manner provided for by the agreement on the exchange of information in the field of banking supervision, including in the form of a memorandum of understanding, letters and (or) correspondence on the exchange of supervisory information between the authorized body and the financial supervision body of the state whose resident shall be a non-resident bank of the Republic of Kazakhstan.

Footnote. Article 126, as amended by the Law of the Republic of Kazakhstan dated 11.06.2026 № 306-VIII (shall enter into force from 01.07.2026).

Article 127. Liquidation commission forcibly terminating activities of a branch of a non-resident bank of the Republic of Kazakhstan

From the date of deprivation of the branch of a non-resident bank of the Republic of Kazakhstan of a banking license to carry out all types of operations, the authorized body appoints the liquidation commission of the branch of a non-resident bank of the Republic of Kazakhstan, which shall carry out the procedure for compulsory termination of the branch of a non-resident bank of the Republic of Kazakhstan.

The liquidation commission of a branch of a non-resident bank of the Republic of Kazakhstan that shall be forcibly terminating its activities takes measures to ensure settlements with its creditors.

The procedure for the appointment and release of liquidation commissions forcibly terminating the activities of branches of non-resident banks of the Republic of Kazakhstan, the requirements for the chairman and members of the liquidation commission, as well as the procedure for the forced termination of the activities of a branch of a non-resident bank of the Republic of Kazakhstan and the requirements for the work of liquidation commissions shall be determined by the regulatory legal acts of the authorized body.

The rights and obligations of the chairman and members of the liquidation commission, including the right to remuneration, the scope of powers to manage the affairs and property of a branch of a non-resident bank of the Republic of Kazakhstan that shall be forcibly terminating its activities shall be regulated by regulatory legal acts of the authorized body and an agreement concluded by the liquidation commission with the committee of creditors, taking into account the requirements established by the legislation of the Republic of Kazakhstan.

The monthly amount of remuneration paid to the chairman, members of the liquidation commission of a branch of a non-resident bank of the Republic of Kazakhstan and other attracted employees should not exceed for each of them the amount of ten times the minimum wage established by the Law on the republican budget and in force on January 1 of the corresponding financial year.

Article 128. Peculiarities of liquidation mass formation forcibly terminating the activities of a branch of the bank - non-resident of the Republic of Kazakhstan

1. The liquidation mass of a branch of a non-resident bank of the Republic of Kazakhstan shall be formed in the manner determined by the regulatory legal act of the authorized body.

2. The liquidation mass of a branch of a non-resident bank of the Republic of Kazakhstan shall not include securities, assets and security fees specified in subparagraph 3) of paragraph 2 and paragraph 3 of Article 116 of this Law.

3. The liquidation mass of a branch of an Islamic bank - non-resident of the Republic of Kazakhstan, a branch of a bank - non-resident of the Republic of Kazakhstan with a universal banking license, carrying out Islamic banking operations, shall not include property acquired at the expenditure of money attracted under an investment deposit agreement. The specified property, as well as obligations on investment deposits, shall be subject to transfer by the liquidation commission to another bank, a branch of a non-resident bank of the Republic of Kazakhstan, carrying out Islamic banking operations.

Procedure for selecting a bank, branch of a non-resident bank of the Republic of Kazakhstan performing Islamic banking operations, a branch of a non-resident bank of the Republic of Kazakhstan with a universal banking license, carrying out Islamic banking operations, and transferring to them property acquired at the expenditure of money, attracted under the investment deposit agreement, and obligations on investment deposits of the branch of the Islamic bank - non-resident of the Republic of Kazakhstan that compulsory shall cease to operate, a branch of a non-resident bank of the Republic of Kazakhstan with a universal banking license, carrying out Islamic banking operations shall be established by a regulatory legal act of an authorized body.

Article 129. Voluntary termination of a branch of the bank - non-resident of the Republic of Kazakhstan

1. After a non-resident bank of the Republic of Kazakhstan shall make a decision to voluntarily terminate the activities of a branch of a non-resident bank of the Republic of Kazakhstan, a branch of a non-resident bank of the Republic of Kazakhstan shall be obliged to take measures to return deposits of individuals by their direct payment or their transfer to a bank or branch of a non-resident bank of the Republic of Kazakhstan, which shall be participants in the mandatory deposit guarantee system.

The transfer of deposits of individuals to a branch of a non-resident bank of the Republic of Kazakhstan shall be carried out in compliance with the conditions provided for in paragraph 7 of Article 22 of this Law.

2. A non-resident bank of the Republic of Kazakhstan shall have the right to apply to the authorized body with a request to issue a permit for voluntary termination of the activities of a branch of a non-resident bank of the Republic of Kazakhstan after the return of deposits of individuals and (or) transfer to a bank or branch of a non-resident bank of the Republic of Kazakhstan, which shall be participants in the mandatory deposit guarantee system.

The given petition shall be accompanied by:

a list of measures to terminate the activities of a branch of a non-resident bank of the Republic of Kazakhstan indicating the timing of their implementation, approved by the management body of the non-resident bank of the Republic of Kazakhstan;

a statement of assets and liabilities showing that the branch of a non-resident bank of the Republic of Kazakhstan shall have sufficient funds to settle its liabilities;

other necessary information.

The list of documents and information attached to the application for issuing a permit for voluntary termination of the activities of a branch of a non-resident bank of the Republic of Kazakhstan, procedure for issuing a permit for voluntary termination of the activities of a branch of a non-resident bank of the Republic of Kazakhstan, as well as the procedure for returning deposits of individuals, their transfer to another bank or branch of a non-resident bank of the Republic of Kazakhstan, shall be participants in the mandatory deposit guarantee system, shall be determined by the regulatory legal act of the authorized body.

3. The voluntary termination of the branch of a non-resident bank of the Republic of Kazakhstan shall be carried out in the manner prescribed by paragraphs 3, 4 and 7 of Article 117 of this Law.

4. Upon obtaining a permit for voluntary termination of activities, a branch of a non-resident bank of the Republic of Kazakhstan shall create a liquidation commission.

Peculiarities of activities of liquidation commissions voluntarily terminating activities of branches of banks - non-residents of the Republic of Kazakhstan shall be determined by regulatory legal acts of the authorized body.

5. The liquidation commission shall be obliged to submit it to the authorized body within seven calendar days after the approval of the report on the termination of the branch of a non-resident bank of the Republic of Kazakhstan. The authorized body shall make a decision to complete the procedure for voluntary termination of the branch of a non-resident bank of the Republic of Kazakhstan.

Upon completion of the voluntary termination of the activities of a branch of a non-resident bank of the Republic of Kazakhstan, the liquidation commission shall be obliged to submit documents for storage to the archive in accordance with the established procedure and notify the authorized body about this.

6. Satisfaction of claims of creditors of a branch of a non-resident bank of the Republic of Kazakhstan and all expenditures related to voluntary termination of activities of a branch of a non-resident bank of the Republic of Kazakhstan shall be made only at the expenditure of funds of a non-resident bank of the Republic of Kazakhstan, except for assets of a branch of a non-resident bank of the Republic of Kazakhstan accepted as a reserve.

Assets of a branch of a non-resident bank of the Republic of Kazakhstan accepted as a reserve shall be used by a non-resident bank of the Republic of Kazakhstan after satisfaction of claims of all creditors of a branch of a non-resident bank of the Republic of Kazakhstan.

Article 130. Powers of the competent authority in case of termination activities of branches of non-resident banks of the Republic of Kazakhstan

The authorized body shall exercise control over the activities of liquidation commissions voluntarily and compulsory terminating the activities of branches of non-resident banks of the Republic of Kazakhstan in accordance with Article 115 of this Law.

SECTION 9. SPECIAL, TRANSITIONAL AND FINAL PROVISIONS Chapter 23. SPECIAL, TRANSITIONAL AND FINAL PROVISIONS

Article 131. Scope of this Law

1. The standards of this Law shall apply to all banks operating in accordance with the legislation of the Republic of Kazakhstan, including those established in a special manner on the basis of certain regulatory legal acts regulating the initial stage of their organization, as well as to individuals who shall be direct and indirect shareholders (participants) of banks.

2. Banks and other legal entities operating within the framework of the special regulatory regime introduced in accordance with the Law of the Republic of Kazakhstan "On State Regulation, Control and Supervision of the Financial Market and Financial Organizations," the standards of this Law and regulatory legal acts of the authorized body, the National Bank of the Republic of Kazakhstan, adopted in accordance with this Law, shall apply to the extent provided for by the conditions of the special regulatory regime.

The provisions of part 1 of this paragraph shall not apply to branches of non-resident banks of the Republic of Kazakhstan.

3. Paragraph 3 of Article 6 of this Law shall apply to banks that have received funds from the state budget, the National Fund of the Republic of Kazakhstan, the National Bank of the Republic of Kazakhstan and (or) its subsidiaries before the date of entry into force of this Law .

Article 132. Transitional provisions

1. An organization specializing in improving the quality of credit portfolios of second-tier banks, the sole shareholder of which shall be the Government of the Republic of Kazakhstan, has the right to:

1) issue shares for the formation of authorized capital, as well as bonds for financing its own activities;

2) repurchase own placed shares and bonds;

3) assess the quality of assets, rights (claims) of banks and (or) legal entities that have been previously banks in order to make a decision on their acquisition;

4) to acquire from the National Bank of the Republic of Kazakhstan and banks doubtful and hopeless assets, other rights (claims) and assets, to manage them, including by transferring them to trust, to own them and (or) to sell them.

In case of transfer of rights (requirements) from the National Bank of the Republic of Kazakhstan to an organization specializing in improving the quality of credit portfolios of second-tier banks, the consent of the borrower, pledgor, guarantor and other individuals to such a transfer shall not be required;

5) evaluate shares and (or) bonds issued by banks;

6) to acquire shares and (or) shares in the authorized capital of legal entities, including legal entities, the rights (claims) to which have been acquired from banks and (or) legal entities that have been previously banks, to manage them, including by transferring them to trust management, own them and (or) realize them;

7) acquire shares and (or) bonds issued by banks, manage them, including by transferring them to trust, and (or) sell them;

8) provide property acquired and (or) received from banks and (or) legal entities that have been previously banks, or use another form of paid temporary use of such property, transfer it to trust;

9) perform securitization of rights (claims) and other assets acquired from banks and (or) legal entities that have been previously banks;

10) create (acquire) an organization that shall acquire doubtful and bad assets;

11) to acquire rights (claims) and (or) other assets from legal entities that have been previously banks, including shares and participation interests in the authorized capital, to manage them, including by transferring them to trust, and (or) to sell them.

If, as a result of the transaction provided for in part one of this subparagraph, property is acquired in the amount of ten percent or more of the assets of an organization specializing in improving the quality of credit portfolios of second-tier banks, then the decision to conclude such a transaction shall be made by the shareholder of this organization.

If, as a result of the transaction provided for in part one of this subparagraph, the creditor's rights (claims) are transferred, the consent of the borrower, pledgor, guarantor and other individuals to such a transfer shall not be required. In this case, the identity of the new creditor shall be recognized as not significant for the debtor;

12) purchase securities and other financial instruments, as well as place money in second-tier banks, the National Bank of the Republic of Kazakhstan on the terms of bank account and bank deposit agreements;

13) carry out financing on the terms of payment, maturity and repayment of banks and (or) legal entities that have been previously banks;

14) acquire the services of subsidiaries in managing stress assets;

15) implement special programs developed and approved by the Government of the Republic of Kazakhstan and (or) the National Bank of the Republic of Kazakhstan;

16) carry out restructuring of debt on assets, including rights (claims), write off and (or) cancel all or part of the principal debt and (or) remuneration, commissions, forfeit (fines, penalties), other debt, manage assets and sell them, recognize possible losses arising from these actions;

17) sell and (or) provide property lease (lease) or trust management with property accepted to repay rights (claims) acquired and (or) received from banks and (or) legal entities that have been previously banks, and accounted for as assets in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

18) partially or completely write off (forgive) obligations for which performance has been terminated;

19) engage collection agencies to collect debts on bank loans with a delay in fulfilling the obligation under the bank loan agreement for more than ninety consecutive calendar days, as well as to collect indisputably the money in the borrower's bank accounts by submitting a payment request in accordance with paragraph 9 of Article 61 and paragraph 2 of Article 62 of this Law;

20) to carry out other types of activities established by the Government of the Republic of Kazakhstan.

The procedure for an organization specializing in improving the quality of credit portfolios of second-tier banks, the types of activities provided for in this paragraph, as well as the requirements for assets acquired (acquired) by it and rights (requirements) shall be established by a regulatory legal act of the Government of the Republic of Kazakhstan.

An organization specializing in improving the quality of loan portfolios of second-tier banks, according to the rights (claims) assigned to it under bank loan agreements, shall be recognized as a creditor (lender) under a bank loan operation and has all the rights and obligations established by the bank loan agreement.

2. A legal entity previously a bank in respect of which, on the basis of a judicial act that has entered into legal force, restructuring has been carried out in accordance with the legislation of the Republic of Kazakhstan, ninety or more percent of the voting shares of which as of December 31, 2013 belonged to the national managing holding shall:

1) have the right to keep the word "bank" in its name;

2) have the right to collect and process personal data of the parent bank's clients, the rights (claims) and obligations under which have been transferred during the operation specified in this Article without the consent of the personal data subjects or their legal representatives;

3) be recognized as a creditor (lender) for the rights (claims) transferred to it and retain the rights and obligations of the creditor (bank, lender) for the remaining rights (claims) established by bank loan agreements;

4) be not an organization carrying out certain types of banking operations.

According to the requirements of the legal entity specified in part one of this paragraph, the limitation period established by Article 66 of this Law shall not apply to borrowers for non-fulfilment and (or) improper fulfilment of obligations under the bank loan agreement.

In case of reorganization of the legal entity specified in part one of this paragraph:

1) all assets, including rights (claims), and obligations of the specified legal entity, including those related to its restructuring, simultaneous transfer of assets and obligations and other operations (transactions) performed before the reorganization, shall be transferred to its successor (s) in accordance with the separation balance sheet and (or) transfer act;

2) transfer of assets, including rights (claims), and obligations of the specified legal entity to its successor (s) does not require introduction of amendments to contracts concluded by the specified legal entity with individuals and legal entities, in terms of specifying a new party;

3) transfer of assets, including rights (claims), and obligations of the specified legal entity to its successor (s) does not require obtaining the consent of the borrower, pledgor, guarantor and any other person.

3. A bank carrying out its activities on the basis of a license for banking and other operations issued before the entry into force of this Law shall, within six months from the date of entry into force of this Law, apply to the authorized body with an application for the renewal of this license into a universal banking license in the manner prescribed by Article 19 of this Law.

A bank whose equity as of the effective date of this Law shall not comply with the minimum equity amount of a bank with a universal banking license established by an authorized body shall, within one year from the effective date of this Law, ensure that its equity amount complies with the specified minimum amount.

In case of non-fulfilment of the requirement provided for in part two of this paragraph, the bank, within three months from the date of expiration of the period established by part two of this paragraph, shall be obliged to apply to the authorized body with an application for the renewal of a universal banking license into a basic banking license in the manner prescribed by Article 19 of this Law.

4. The Council of Representatives of the Banking Ombudsman, formed before the entry into force of this Law, shall operate until January 1, 2027.

5. Borrower - an individual, after contacting the bank, shall have the right to contact the bank ombudsman in the pre-trial settlement procedure in the following cases:

1) receipt of the bank's decision to refuse to amend the bank loan agreement proposed by the borrower;

2) failure to reach a mutually acceptable decision on changing the terms of the bank loan agreement;

3) failure to reach agreement with the bank in terms of satisfying the rights and interests of the borrower protected by the Law, including the borrower recognized as a victim of a criminal offense related to a fraudulent bank loan.

In the cases provided for in subparagraphs 1) and 2) of this paragraph, an individual borrower has the right to apply to the bank ombudsman within fifteen calendar days with simultaneous notification of the bank about the appeal to the bank ombudsman.

During the period of consideration by the bank ombudsman of an appeal from a borrower belonging to socially vulnerable segments of the population in accordance with the Law of the Republic of Kazakhstan "On Housing Relations" on a mortgage loan, including a mortgage housing loan not related to entrepreneurial activity, judicial or extrajudicial foreclosure on pledged property shall not be allowed.

Article 133. Appeal against decisions and actions (inaction) of the authorized body and the National Bank of the Republic of Kazakhstan

1. Decisions and actions (inaction) of the authorized body and the National Bank of the Republic of Kazakhstan in the field of regulation, control and supervision of banking activities can be appealed in the manner prescribed by the Laws of the Republic of Kazakhstan.

Appeal against decisions of the authorized body or the National Bank of the Republic of Kazakhstan on the application of supervisory response measures to banks, branches of non-resident banks of the Republic of Kazakhstan, organizations carrying out certain types of banking operations (except for advisory supervisory response measures), suspension or deprivation of a banking license, the application of an enhanced supervision regime, a regime for restoring financial stability, a settlement regime and settlement instruments and (or) written instructions shall not suspend the execution of appealed decisions.

2. The decision on the legality of the application of the settlement regime to the bank shall be made by the court taking into account the results of the assessment of the viability of the bank carried out in accordance with Article 91 of this Law.

3. If the court recognizes an invalid transaction concluded on the basis of a decision of the authorized body, the interim administration for managing the bank and (or) the interim administration appointed after the bank is deprived of its license to carry out all types of operations, the parties shall not be allowed to return everything received under such a transaction.

Article 134. Liability for violation of banking legislation of the Republic of Kazakhstan

Violation of the banking legislation of the Republic of Kazakhstan shall entail liability established by the Laws of the Republic of Kazakhstan.

Article 135. Procedure for enactment of this Law

1. This Law shall come into force sixty calendar days after the date of its first official publication, except for:

1) Part three of paragraph 6 of Article 52 and paragraph 17 of Article 58 of this Law, which shall come into force six months after the date of its first official publication;

2) subparagraph 1) of part one of paragraph 3 of Article 8, parts two and three of paragraph 1 of Article 9, subparagraph 3) of paragraph 13 and subparagraph 2) of paragraph 14 of Article 19, paragraphs 2 and 3 of Article 26, subparagraph 1) of part one of paragraph 1 of Article 52, paragraph 21 of Article 58, paragraph 9 of Article 61, paragraph four of subparagraph 1) of part one of paragraph 9 of article 63, subparagraph 2) of part one and part two of paragraph 1 of Article 67, subparagraph 10) of paragraph 6, part one of paragraph 7 and subparagraph 5) of paragraph 9 of Article 69, subparagraph 13) of paragraph 2 of Article 78, subparagraph 14) of paragraph 1 and subparagraph 7) of paragraph 4 of Article 83, Article 84, section 6, paragraph 2 of Article 133 of this Law, which shall come into force on July 1, 2026;

3) subparagraph 15) of Article 1, paragraphs 7 and 8 of Article 61, paragraph 5 of Article 64, Article 65, paragraph 19 of Article 69, paragraph 5 of Article 75 of this Law, which shall come into force on January 1, 2027;

4) part two of subparagraph 4) of paragraph 11 of Article 61 of this Law, which shall come into force on May 1, 2027.

2. Paragraph 5 of Article 132 of this Law shall be valid until January 1, 2027.

3. Suspend:

1) until July 2, 2026, the effect of part three of paragraph 4 of Article 52 of this Law, having established that during the period of suspension this part shall be valid as follows:

"The rules on general conditions for banking activities, in addition to the information, the list of which shall be established by the regulatory legal act of the authorized body specified in part one of this paragraph, should contain provisions on the procedure for working with clients.";

2) until January 1, 2027:

the effect of subparagraph 11) and 12) of paragraph 2 of Article 78 of this Law, having established that during the period of suspension these subparagraphs shall be valid as follows:

"11) non-fulfilment or improper fulfilment by the bank of obligations to pay mandatory contributions and (or) other payments to the office of the banking ombudsman;

12) failure of the bank to comply with the decision of the banking ombudsman within the period established by this decision;";

the effect of subparagraph 1) of paragraph 2 of Article 87 of this Law, having established that during the period of suspension this subparagraph shall be valid as follows:

"1) receive information, financial and other statements at an individually determined frequency;";

3) until May 1, 2027, the effect of paragraph 5 of Article 63 of this Law, having established that during the period of suspension this paragraph shall be valid as follows:

"5. The Bank shall be prohibited from assigning rights (claims) under a bank loan agreement with an individual not related to entrepreneurial activities to a collection agency."

4. The Bank and the organization performing certain types of banking operations shall be obliged to sell the following property within three years from the date of entry into force of this Law through trading on an electronic trading platform for the sale of banking and microfinance assets:

property held on their balance sheet and acquired before September 5, 2022 as a result of foreclosure on the subject of collateral (other security) under a bank loan agreement;

property on their balance sheet and acquired before August 20, 2024 as a result of receiving compensation in return for the fulfilment of obligations under a bank loan agreement.

The Subsidiary organization for stress asset management shall be obliged to sell the following property within three years from the date of entry into force of this Law by bidding on the electronic trading platform for the sale of banking and microfinance assets:

property held on its balance sheet and acquired before August 20, 2024 as a result of foreclosure on the subject of collateral (other security) under a bank loan agreement and (or) receiving a compensation in return for the fulfilment of obligations under a bank loan agreement;

property provided for in subparagraph 1) of paragraph 3 of Article 30 of this Law, held on its balance sheet and transferred to it by the parent bank and (or) acquired from the parent bank before the entry into force of this Law.

The total term of the property acquired as a result of foreclosure on the subject of collateral (other security) under a bank loan agreement and (or) receiving a compensation in return for the fulfilment of obligations under a bank loan agreement should not exceed three years from the date of its receipt by the bank.

The period established by parts one and two of this paragraph shall not apply to the following property:

land plot, the term of which shall be determined taking into account the features provided for by the Land Code of the Republic of Kazakhstan;

a dwelling leased by the bank (property lease) without the condition of its redemption in accordance with subparagraph 2) of the first paragraph of paragraph 2 of Article 28 of this Law, the implementation period of which shall be extended in proportion to the lease period;

the property referred to in part five of this paragraph.

The Bank shall be obliged to sell shares, participation interests, shares or other forms of equity participation in organizations that shall be on the balance sheet and acquired as a result of foreclosure on the subject of collateral (other security) under a bank loan agreement, within twelve months from the date of entry into force of this Law, except for the acquisition of shares, participation interests, units or other forms of equity participation in the capital of organizations specified in paragraph 2 of Article 23 of this Law, subject to the requirements and restrictions established by paragraph 3 of Article 23 of this Law.

5. Establish that:

1) bank loan agreements concluded before the entry into force of this Law, as well as legal relations under such agreements that arose before the date of entry into force of this Law , shall be governed by the legislation of the Republic of Kazakhstan in force at the time of the conclusion or emergence of legal relations under bank loan agreements;

2) legal relations arising after the entry into force of this Law from bank loan agreements concluded before its entry into force shall be regulated in accordance with this Law;

3) the effect of the second part of subparagraph 4) of paragraph 11 of Article 61 of this Law shall apply to legal relations arising from previously concluded bank loan agreements.

When calculating the twenty-four-month period for the purpose of assigning rights (claims) under a bank loan agreement not related to entrepreneurial activity concluded with an individual borrower before May 1, 2027, the collection agency shall take into account the period of overdue debt and debt settlement procedures carried out before May 1, 2027;

4) from July 1, 2026, the banking ombudsman shall carry out collective debt settlement through the collective settlement platform functioning under the banking ombudsman in accordance with paragraph 9 of Article 61 of this Law;

5) the requirements of the second part of paragraph 3 of Article 57 of this Law shall apply to legal relations arising from previously concluded contracts;

6) the requirements stipulated by paragraph 17 of Article 58 of this Law shall apply to:

consumer bank loan agreements (agreements on the provision of consumer microcredit), not secured by a pledge of property, concluded six months after the day of the first official publication of this Law;

applications for an increase in the amount of a consumer bank loan (microcredit), as well as applications for the provision of a consumer bank loan (microcredit) not secured by a pledge of property, submitted six months after the day of the first official publication of this Law within the framework of a previously concluded agreement, the terms of which provide for the transfer of money in full or in parts based on the application;

7) appeals of individuals sent to the banking ombudsman before January 1, 2027, for which no decisions have been made, as well as appeals related to introduction of amendments in the conditions for fulfilling obligations under bank loan agreements, in respect of which there was no assistance in reaching a mutually acceptable decision and no decision was made by the parties to change the conditions, to be transferred to the Financial Ombudsman Service by January 14, 2027.

For these requests, the calculation of the term of their consideration shall begin from the date of their receipt by the financial ombudsman service;

8) the requirements of Article 66 of this Law shall apply to bank loan agreements concluded from October 1, 2017.

6. To recognize as invalid the Law of the Republic of Kazakhstan dated August 31, 1995 "On Banks and Banking Activities in the Republic of Kazakhstan" from the date of entry into force of this Law, with the exception of:

1) subparagraphs 1), 1-1) of paragraph 2 and paragraph 3 of Article 16, paragraphs 2 and 3 of Article 16-3, paragraphs 2 and 4 of Article 17, Articles 17-2, 31-1 and 48-1, subparagraph 6) of part two of paragraph 4 of Article 50, chapters 6-1, 7-2 and 8, which shall be recognized as invalid dated July 1, 2026;

2) Articles 40-1, 40-2, 40-3, 40-4, paragraph 7-2 of Article 50, which shall be recognized as invalid dated January 1, 2027.

President of the Republic of Kazakhstan *K. TOKAEV*