

LAW No. 57 OF 13th JUNE 2005 OF THE REPUBLIC OF
KAZAKHSTAN

“ON CURRENCY REGULATION AND CURRENCY
CONTROL”

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AMENDMENTS AND ADDITIONS INTRODUCED BY:

- 1) Law No. 224 of 12th January 2007 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan Concerning Issu

Amended by Law No.530-IV of 6 January 2012 of the Republic of Kazakhstan
Concerning the Introduction of Amendments and Additions to Certain Legislative Acts

6) commercial credits • deferral of payment or preliminary payment (advance payment) in respect of export or import which is made directly between suppliers (sellers) and recipients (buyers) of goods (work, services);

7) financial loans:

loans (except for commercial credits);

deposit accounts (deposits) at banks placed by their subsidiary organisations which are organised abroad for the purposes of attracting funds in international capital

investment of money, securities, ~~to~~ property rights, including rights to results of intellectual creative activity, and other assets in payment for shares (contributions of participants) in a legal ~~entity~~, if the person making such investment holds or will hold as a result of such invest ~~ment~~ ten and more per cent of voting shares (ten and more per cent of votes of the ~~total~~ number of votes of participants) in the said legal entity;

investment of assets which leads to ~~an~~ increase in capital other than the charter capital of a legal entity, which is made by a

The Law shall apply to residents of the Republic of Kazakhstan outside the boundaries of the Republic of Kazakhstan.

CHAPTER 2. CURRENCY REGULATION

Article 4. Objectives and Tasks of Currency Regulation

1. The objective of currency regulation shall be the assistance to state policy for attainment of steady economical growth and providing of economic security.

2. The tasks of currency regulation shall be as follows:

- 1) establishment of the procedure for circulation of currency valuables in the Republic of Kazakhstan;
- 2) creation of conditions for further integration of the Republic of Kazakhstan to the world economy;
- 3) providing information database of currency transactions and capital flows.

Article 5. Bodies of Currency Regulation

Amended by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

1. The main body of currency regulation in the Republic of Kazakhstan shall be the National Bank of the Republic of Kazakhstan.

2. The Government of the Republic of Kazakhstan and other state bodies shall carry out currency regulation within their competence.

3. The National Bank of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan shall, in accordance with this Law and within their competence, issue regulatory legal acts binding for residents and nonresidents.

Regulatory legal acts on the issues of currency regulation developed by the bodies of currency regulation shall be subject to obligatory approval with the National Bank of the Republic of Kazakhstan.

4. The National Bank of the Republic of Kazakhstan as the main body of currency regulation shall establish:

~~4); [repealed by 3]~~

1) the procedure for and requirements for carrying out activity relating to organisation of exchange transactions in foreign currency;

2) procedure for the performance by residents and nonresidents of currency transactions, including the regimes of currency regulation:

licensing;

registration;

notification;

3) procedure for the performance of monitoring currency transactions of nonresidents who perform the activities in the territory of the Republic of Kazakhstan

4. Licenses for the performance of activities relating to organisation of

performance, under the instructions and in the interest of and at the expense of the client-resident, of the transactions subject to be licensed in accordance with paragraph 2 of Article 22 of this Law;

3) submission of the substantiation of the absence of the possibility of performance of currency transactions through

1) in the event that the registration regime applies to the currency agreement from the very beginning prior to the beginning of fulfilment of obligations by either of the parties;

2) in the event that fulfilment of an obligation of either of the parties entails application of the registration regime to the currency agreement prior to the beginning of fulfilment of such an obligation;

3) in the event that the registration regime applies to the currency agreement as a result of introduction of amendments and (or) conditions to it and where it is necessary to fulfil obligations by either of the parties within thirty calendar days from the date when the registration regime becomes due in respect of the currency agreement prior to the beginning of fulfilment of such obligations;

3-1 If a resident is a party of the currency agreement to which the Registration mode is obligatory as a result of assignment of claim or transfer of debt, he/she must apply to the National Bank of Kazakhstan in order to be registered not later than thirty calendar days from the date of the relevant transaction;

4) in other cases not later than thirty calendar days from the date when the registration regime becomes due in respect of the currency agreement.

4. For registration of currency transactions, residents shall submit to the National Bank of the Republic of Kazakhstan documents from those provided for in subparagraphs 1) to 4), 10) of

participant in the currency transaction shall issue a document of the established model that is a notification certificate.

4. For the purposes of determining circumstances of the making of currency transactions the National Bank of the Republic of Kazakhstan shall have the right to require a currency agreement on the basis of which currency transactions are made.

5. Authorised banks and (or) professiona

~~6)~~; [repealed by 1]

7) [repealed by 5]

8) documents confirming the compliance of the applicant with the requirements, including qualification requirements as established by this Law and regulatory legal acts of the National Bank of the Republic of Kazakhstan;

9) reference document of the bank to the existence with the resident of a foreign currency account;

10) copies of documents confirming the arising, implementation, and termination of obligations under the currency contract.

The National Bank of the Republic of Kazakhstan may request from the resident for familiarization the originals of the documents indicated in this Article.

Documents in a foreign language shall be submitted to the National Bank of the

Introduced by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

Amended by 5) Law No.530-IV of 6 January 2012 the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Currency Regulation and Currency Control.

1. Repatriation of national and foreign currency shall constitute the placement on bank accounts at authorised banks of:

1) proceeds in national and foreign currency from export of goods (work, services);

2) national and foreign currency transferred by the resident for the benefit of a non-resident to make settlements on imported goods (work, services) in case of non-fulfilment or incomplete fulfilment of obligations by the non-resident.

The resident shall be obliged to ensure the fulfilment of the requirement concerning repatriation of national and foreign currency within the repatriation term. The repatriation term shall be a period of time that is calculated by the resident basing on conditions of fulfilment of obligations by the parties under the currency agreement and in accordance with the procedure established by the regulatory legal act of the National Bank of the Republic of Kazakhstan.

Authorised banks making currency transac

requirement concerning repatriation by the established time shall be transferred to the resident which accepted the right of claim.

4. The National Bank of the Republic of Kazakhstan shall establish standard rules and conditions of obtaining by residents an account number of contract in respect of export and import and the procedure for performance of export-import currency

- 4) transactions relating to purchase~~sale~~, payment of interest and (or) redemption of securities whose nominal value is expressed in foreign currency;
- 4-1) transactions relating to purchase and sale of refined gold in bars;
- 5) payments and transfer of money under contracts of commission agency related to carrying out export (import), in~~the~~ use of transferable letter of credit as a form of payment;
- 6) remittance of bills of exchange expressed in foreign currency for collection as the implementation of pecuniary liabilities;
- 7) transactions relating to settlements where goods are sold through duty free shops, and also if goods are sold and services~~are~~ rendered to passengers during trips in international carriages;
- 8) transactions during the payment~~the~~ costs of an individual person's trip

The regimes of currency regulation established by this Law shall not apply to currency transactions with nonresidents, on the parties to which is the National Bank of the Republic of Kazakhstan and/or Ministry of Finance of the Republic of Kazakhstan.

Article 15. Currency Transactions Between Nonresidents

1. Currency transactions between nonresidents in the territory of the Republic of Kazakhstan shall be carried out without any restrictions subject to the requirements established by Article 16 of this Law.

2. Restrictions on the performance of currency transactions between nonresidents in the territory of the Republic of Kazakhstan may be imposed only in the cases provided for by Article 32 of this Law.

Article 16. Payments and Transfer of Money under Currency Transactions of Residents and Nonresidents

Amended by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control;

4) Law No. 297-IV of 30th June 2010 of the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Customs Regulation and Taxation.

Amended by 5) Law No.530-IV of 6 January 2012 of the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Currency Regulation and Currency Control.

1. Payments and transfer of money under currency transactions of residents and nonresidents shall be carried out through the bank accounts at the authorized banks, except for:

1) payments and transfer of money of natural persons and also payments and transfer of money in their favor in the national currency in the territory of the Republic of Kazakhstan;

2) transfer of money of natural persons carried out without opening of the bank accounts at the authorized banks in accordance with paragraph 3 of this Article;

3) settlements in case of selling goods in duty free shops, and also when selling goods and rendering services to passengers during trips in international carriages;

4) payments between natural persons and the authorized banks or authorized organizations carried out through their exchange offices;

5) payments by legal entities – residents of salaries to employees – nonresidents and also by legal entities – nonresidents of salaries to employees – residents and nonresidents in foreign currency;

1) free-of-charge transfer of money on the territory of the Republic of Kazakhstan, from the Republic of Kazakhstan and to the Republic of Kazakhstan (tax, license fees, penalties, transfer of amounts of inheritance, alimonies, grants and others);

2) other transfers of money from the Republic of Kazakhstan not related to the performance by a natural person of entrepreneurial activities and with respect to which the requirement for obtaining an account number of contracts [modified by 5] registration, notification is not determined in accordance with this Law.

4. The procedure for the use and placing to the bank introduced by 3] account of cash foreign currency by residents and non-residents, and also the amount and the procedure for carrying out transfers of money without opening a bank account shall be established by regulatory legal acts of the National Bank of the Republic of Kazakhstan.

Article 17. Purchase and Sale of Foreign Currency

Introduced by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

1. Authorised banks having the right to organise exchange transactions in foreign currency in accordance with a license issued to them or the right granted by the laws of the Republic of Kazakhstan, shall have the right to sell and purchase foreign currency both in the Republic of Kazakhstan and abroad.

2. Sale and purchase of foreign currency in the Republic of Kazakhstan shall be performed by residents and non-residents exclusively at authorised banks having the right to organise exchange transactions in foreign currency, through exchange offices of such authorised banks, and also exchange offices of authorised organisations in accordance with the procedure established by the National Bank of the Republic of Kazakhstan.

Article 18. Import into the Republic of Kazakhstan and export from the Republic of Kazakhstan currency values, national currency, securities and payment documents that their par value and (or) cost are denominated in the national currency, and those that have no par value of securities issued by residents

Amended by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control;

4) Law No. 297-IV of 30th June 2010 of the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Customs Regulation and Taxation;

5) Law No. 530-IV of 6 January 2012 of the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Currency Regulation and Currency Control.

1. Import into the Republic of Kazakhstan and export from the Republic of Kazakhstan foreign currency in cash, national currency in cash, documented securities and payment documents are carried out by

2. Residents and nonresidents shall, pursuant to the inquiry of the authorized banks, indicate the purpose of payments transfer of money with respect to the currency transactions performed through them, and also submit documents confirming the indicated objectives of payments at transfer of money for the purpose of implementing the requirements established by this Law.

CHAPTER 4. OPERATIONS OF CAPITAL MOVEMENT AND OPENING OF ACCOUNTS

Article 20. Settlements under Export (Import)

Amended by 3) Law No. 167 of 4 July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

5) Law No.530-IV of 6 January 2012 of the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Currency Regulation and Currency Control.

1. Currency for the payment for export of goods (work, services) shall be received by residents and entered to their accounts at the authorized banks within 180 days from the day of export of goods (work, services) or within 365 days from the day of export of certain goods which list is established by the Government of the Republic of Kazakhstan.

On the basis of a license of the National Bank of the Republic of Kazakhstan for opening an account at the foreign bank it is allowed to place the currency received by the residents as the payment for export of goods (work, services) to their accounts at the foreign banks.

2. In the case of non-performance of obligations by the nonresident, currency transferred by a resident in favor of a nonresident for making settlements under import of goods (work, services) on the terms of a commercial loan to the entity, currency is authorized to be used for the purpose of settling the obligations of the nonresident.

3-2. The regimes of currency regulation shall not apply to commercial credits relating to export (import) under which it is required to obtain an account number of contract.

4. Payments between residents and nonresidents under commercial loans extended by residents to nonresidents for a period over 180 days, shall be carried out in the regime of licensing.

5. In export of goods entered into ~~that~~ indicated in paragraph 1 of this Article, payments between residents and nonresidents on the terms of deferral of payment shall not be subject to licensing if commercial loan is extended by a resident to a nonresident for a period not exceeding 365 days.

In the cases where under commercial loans extended for a period not exceeding 365 days the actual deadline for repayment of funds or other implementation of obligations by a nonresident exceeds 365 days payments between residents and nonresidents shall be subject to licensing in the procedure as provided for by this Law.

6. A license of the National Bank of the Republic of Kazakhstan shall grant the right to place the national and foreign currency to the accounts with the authorized banks or other implementation of obligations within the deadlines substantiated by the resident.

~~7. [repealed by 3]~~

8. The authorized banks under contracts of commission agency between residents related to carrying out the import may open transferable letter of credits in foreign currency in favor of residents which provide for the transfer of the letter of credit in favor of nonresidents.

Article 21. Direct Investments

Direct investments of nonresidents ~~the~~ Republic of Kazakhstan and residents abroad shall be carried out in the regime of registration.

Article 22. Participation in Charter Capital, Transactions with Securities and Derivative Financial Instruments

Amended by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

5) Law No.530-IV of 6 January 2012 of the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Currency Regulation and Currency Control.

1. Residents shall be obliged to inform the National Bank of the Republic of Kazakhstan concerning currency transactions relating to purchase of securities, money and another property in order to participate in the organization (including charter

capital) or as a payment to its property, and also concerning currency transactions relating to derivative financial instruments.

2. The acquisition by residents of securities of nonresidents, interests in investment funds-nonresidents, making by residents of contributions for the purpose of providing the interest in the charter capital of nonresidents, and also transactions with derivative financial instruments between the residents and nonresidents shall be carried out in the regime of licensing.

The provisions of this paragraph shall not apply to banks, insurance organizations, as well as organizations that carry out investment management of pension assets, and accumulation pension funds independently carrying out investment management of pension assets (in investing by them of pension assets).

3. The National Bank of the Republic of Kazakhstan shall issue licenses which give the right to perform such transactions both at the expense of own funds and at the expense of clients' funds to the organizations that carry out professional activity in the securities market for the performance of currency transactions indicated in paragraph 2 of this Article.

The provisions of this paragraph shall not apply to banks that perform the professional activities on the securities market.

4. Currency transactions, indicated in paragraph 2 of this Article, of natural persons and legal entities-residents carried out through Kazakhstan professional participants of the securities market within the scope of the license obtained by them, shall be carried out without any restrictions.

5. Currency transactions between residents and nonresidents carried out as a result of exercising of rights and obligations with respect to the underlying asset of derivative financial instruments shall be carried out in the regime of notification.

Currency transactions between residents and nonresidents carried out as a result of exercising of rights and obligations with respect to the goods which are underlying asset of derivative financial instruments shall be regulated in the procedure as provided for by Articles 12 and 20 of this Law.

6. The acquisition by nonresidents of securities of residents, including interests in the investment funds-residents, making by nonresidents of contributions for the purposes of providing for the participation in the charter capital of residents and also initial placement of securities on international

1. Financial loans of residents to nonresidents, and of nonresidents to residents for a period over 180 days shall be carried out in the regime of registration.
2. The regime of registration shall also

5. Opening by legal entities-residents of accounts indicated in subparagraph 3) of paragraph 4 of this Article shall be carried out in the regime of registration.

A regulatory legal act of the National Bank of the Republic of Kazakhstan shall establish the terms of the use of such accounts.

Article 26. Accounts of Nonresidents

1. Nonresidents shall open banking accounts in foreign and/or national currency at the authorized banks without any restrictions.

2. Nonresidents may without any restrictions transfer foreign and/or national currency from their accounts outside the Republic of Kazakhstan to their banking accounts with the authorized banks and also from their banking accounts with the authorized banks to their accounts outside the boundaries of the Republic of Kazakhstan.

CHAPTER 5. CURRENCY CONTROL

Article 27. The Objectives and Tasks of Currency Control

1. The objective of currency control shall be providing for compliance by residents and nonresidents of the Republic of Kazakhstan with the legislation of the Republic of Kazakhstan in the performance by them of currency transactions.

2. The tasks of currency control shall be:

- 1) determination of compliance of performed currency transactions with the legislation of the Republic of Kazakhstan;
- 2) review of reasonableness of payments under currency transactions and availability of documents required for their performance;
- 3) review of the fullness and objectivity of accounting and reporting with respect to currency transactions.

Article 28. Bodies and Agents of Currency Control

Amended by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

1. The National Bank of the Republic of Kazakhstan, other state bodies within the limits of their competence as established by the Laws of the Republic of Kazakhstan (bodies of currency control) and agents of currency control shall carry out currency control in the Republic of Kazakhstan.

2. Agents of currency control shall be authorised banks and authorised organisations.

Article 29. Rights and Obligations of the Bodies and Agents of Currency Control

Amended by 1) Law No. 224 of 12th January 2007 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan Concerning Issues of National Registers of Identification Numbers;

3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

5) Law No.530-IV of 6 January 2012 of the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Currency Regulation and Currency Control.

1. The bodies and agents of currency control within the limits of their competence shall carry out control over currency transactions carried out by residents and nonresidents in the Republic of Kazakhstan in part of compliance of those transactions with the legislation of the Republic of Kazakhstan with the terms of licenses, requirements to registration and notification.

2. The bodies of currency control shall within their competence:

1) carry out the reviews of compliance by residents and nonresidents with the currency legislation of the Republic of Kazakhstan;

2) carry out the review of the completeness and reliability of accounting and reporting with respect to currency transactions of residents and nonresidents;

3) request documents and information which are related to the performance of currency transactions;

4) give to agents of currency control the binding instructions for the purpose of proper performance of currency control;

5) establish the procedure for submission of reports on currency transactions;

6) submit the requirements for elimination of identified violations and take other measures provided by the legislation of the Republic of Kazakhstan which are obligatory for the implementation by all residents and nonresidents in the Republic of Kazakhstan.

3. Agents of currency control shall:

1) carry out control over compliance

violations of the currency legislation of the Republic of Kazakhstan committed by their clients that have become known to them;

4) submit to the bodies of currency control the information on currency transactions performed with their participation in the procedure as established by the laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and regulatory legal acts of the bodies of currency regulation.

4. The bodies and agents of currency control shall in accordance with the legislation of the Republic of Kazakhstan keep commercial, banking secrets and other secret protected by law which became known to them in the exercising by them of their authorities.

5. The authorized bank shall make payments and transfer of money of a resident and/or nonresident only subject to providing the latter of the documents required in accordance with this Law and regulatory legal acts of the National Bank of the Republic of Kazakhstan.

6. For the purpose of carrying out currency control the agents of currency control may in accordance with this Law request from residents and nonresidents in the performance by them of currency transaction:

- 1) document certifying the identity (for natural persons);
- 2) document confirming the right of permanent residence in the Republic of Kazakhstan (for foreigners and stateless persons);
- 3) foundation documents (for legal entities);
- 4) certificate of state registration (for legal entities);
- 5) [repealed by 1]
- 6) [repealed by 5];

Article 30. Measures of Influence and Sanctions

1. In the identification of violations of the currency legislation of the Republic of Kazakhstan by the authorized banks and authorized organizations, the National Bank of the Republic of Kazakhstan may apply the measures of influence as provided for by the laws of the Republic of Kazakhstan.

In the identification of violation of the procedure for the performance of exchange transactions with foreign currency committed by the authorized banks and authorized organizations through their exchange offices, the National Bank of the Republic of Kazakhstan may suspend the effect of the registration certificate of the exchange office up to six months.

2. In the identification of violations of the currency legislation of the Republic of Kazakhstan by licensees, the National Bank of the Republic of Kazakhstan may suspend the effect of the license.

Article 31. Rights and Obligations of Residents and Nonresidents

Amended by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

1. Residents and nonresidents who perform currency transactions in the Republic of Kazakhstan may:

- 1) familiarize themselves with the reference documents on the results of reviews conducted by the bodies of currency control;
- 2) appeal against the actions of the bodies and agents of currency control in the procedure as established by the legislation of the Republic of Kazakhstan;
- 3) exercise other rights provided for by the legislation of the Republic of Kazakhstan.

2. Residents and nonresidents who perform currency transactions shall:

- 1) submit to the bodies and agents of currency control all the requested documents and information on the performance of currency transactions within the deadlines established by regulatory legal acts of the National Bank of the Republic of Kazakhstan;
- 2) provide explanations to the bodies of currency control in the course of the performance of reviews by them, and also with respect to their results;
- 3) carry out accounting and compiling reporting on the performed currency transactions, providing for their keeping within a period established by regulatory legal acts of the National Bank of the Republic of Kazakhstan;
- 4) implement requirements (instructions, prescriptions) of the bodies of currency control on the elimination of the identified violations;

5) provide access to the bodies of currency control to own premises and documents and automated databases when they perform the reviews.

3. In the cases established by this Law, residents shall in a timely manner apply and take all the required measures for obtaining a license, registration certificate, certificate of the notification of the National Bank of the Republic of Kazakhstan, and shall comply with the terms of the issued license.

CHAPTER 6. CONCLUDING PROVISIONS

Article 32. The Special Currency Regime

Introduced by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

1. In case of a threat to the economic safety of the Republic of Kazakhstan and stability of its financial system, if the situation may not be settled by other efforts of the economic policy, the special currency regime shall be imposed.

The special currency regime shall constitute a special regime for performance of currency transactions that stipulates a set of efforts of currency regulation, that is directed to creation of conditions for removal of threats to the economic safety of the country and stability of its financial system and allows imposition of certain currency restrictions in respect of performance by residents and non-residents of transactions relating to the use of currency values. The special currency regime shall be a temporary effort that applies exclusively for the purpose of removing circumstances which were a basis to impose it. The following shall be recognised as restrictions which may be imposed within the framework of the special currency regime:

1) a requirement concerning placement of a deposit in an amount that is determined in a per cent of amount of a currency transaction, without payment of interest, for an established term at an authorised bank or at the National Bank of the Republic of Kazakhstan;

2) a requirement concerning obtaining a special permit of the National Bank of the Republic of Kazakhstan for performance of currency transactions;

3) a requirement concerning obligation to sale of foreign currency received by residents;

4) restrictions of the use of accounts at foreign banks, establishment of a time for the return of currency proceeds and limits to volumes, quantity and currency of settlements under currency transactions.

The President of the Republic of Kazakhstan may impose other temporary currency restrictions.

2. The special currency regime shall be imposed by the act of the President of the Republic of Kazakhstan that is prepared on the basis of joint consultations with the Government of the Republic of Kazakhstan and the National Bank of the Republic of Kazakhstan.

3. The act of the President of the Republic of Kazakhstan concerning the imposition of the special currency regime shall comprise:

1) a list of imposed efforts and temporary restrictions of performance of transactions relating to the use of currency values;

2) the procedure for fulfilling requirements of the special currency regime, in particular conditions of issue of a special permit;

3) a time of imposition and term of validity of the special currency regime.

4. The term of validity of the special currency regime may not exceed one year.

Upon the expiration of the term for which the special currency regime is imposed the special currency regime shall be considered as cancelled.

The President of the Republic of Kazakhstan shall have the right to prolong its effect within the timing established by this paragraph or cancel it ahead of time wholly or partially by issue of an appropriate act.

5. Within the period of validity of the special currency regime residents and non-residents shall be obliged to comply with requirements established by the act of the President of the Republic of Kazakhstan concerning the imposition of the special currency regime.

Article 33. Responsibility for Violation of Currency Legislation of the Republic of Kazakhstan

Violation of the currency legislation of the Republic of Kazakhstan shall entail responsibility in accordance with the laws of the Republic of Kazakhstan.

Article 34. Procedure for Entering of this Law into Force

1. This Law shall enter into force upon expiration of six months from the day of publication, except for paragraph 1 of Article 12, which will be effective from 1st January 2007.

2. The second clause of subparagraph 2) of paragraph 4 of Article 5, Article 7, paragraphs 1, 2, 4 to 6 of Article 20, paragraphs 2 to 6 of Article 22, paragraph 3 of Article 24, paragraphs 3 to 5 of Article 25 of this Law shall be in effect through 31st December 2006.

3. The Law of 24th December 1996 of the Republic of Kazakhstan «Concerning Currency Regulation» (Proceedings of the Parliament of the Republic of Kazakhstan, 1996, No. 20-21, i. 404; 1997, No. 13-14, i. 205; 1998, No. 16, i. 219; 1999, No. 20,

