



On state educational accumulative system

Non-official translation

Law of the Republic of Kazakhstan dated 14 January 2013 No. 67-V

Unofficial translation

This Law regulates social relations in the field of functioning of state educational accumulative system, as well as the conditions, forms and content of its state incentives.

Chapter 1. GENERAL PROVISIONS

Article 1. Basic definitions, used in this Law

The following basic definitions shall be used in this state reward Law:

1) educational reward accumulative deposit- money on the account of a depositor in a Bank-participant, that includes the contributions of a depositor or a giver, capitalized reward of bank-participant and state reward;

2) state reward on educational storage investment (hereinafter - the state premium) - money, annually in the established period, paid at the expense of funds of the budget for actual accumulated balance of educational accumulative deposit;

3) an agreement on educational accumulative deposit (hereinafter - depositary contract) - bank deposit agreement on the accumulation of funds for payment of educational services, concluded by a depositor with a Bank-participant;

4) unified register of agreements on education accumulative deposit - unified base of registration of the contracts of deposit on that an operator charges the state reward;

5) educational services - activity of organization of education on the provision of student services, directed on realization of the educational needs of an individual and the installation of educational programmes;

6) an authorized body in the field of education - a central executive body of the Republic of Kazakhstan, carrying out management and cross-sector co-ordination in the field of education;

7) educational organization - a legal entity, created and acting on the territory of the Republic of Kazakhstan, that implements a program of technical and professional, post-secondary, higher and postgraduate (master's degree) education;

8) a giver - a resident or nonresident of the Republic of Kazakhstan, carrying out investment for educational storage deposit in favor of a depositor;

9) a creditor - the second tier Bank of the Republic of Kazakhstan, having the license for banking loan operations and signed agreement on provision of educational credits under the guarantee of an authorized by state organizations;

10) line of credit - granting to the borrower's legally formalized obligations of the lender to issue to him within a specific agreement educational loan money within the agreed limit;

11) a borrower - a depositor, concluded with a creditor agreement about educational loan on missing for the payment of educational services amount;

12) Bank-participant - the second tier Bank of the Republic of Kazakhstan in accordance with this Law requirements and concluded the agreement on cooperation in the field of state

educational storage system with operator in the field of state education storage system;

13) State educational accumulative system - a system of money savings for payment of educational services, regulated by the legislation of the Republic of Kazakhstan and is based on the involvement of the participating banks deposits and population charge of their remuneration and bonuses of the state;

14) An operator in the field of state education storage system (hereinafter - the operator) - an organization, defined by the decision of the Government of the Republic of Kazakhstan, carrying out coordination of activity of participants of state education storage system and ensuring its functioning within the limits provided for by the legislation of the Republic of Kazakhstan;

15) An agreement on cooperation in the field of state education storage system (hereinafter - agreement on cooperation) - an agreement between the operator and Bank-participant or operator and educational organization that establishes the conditions and procedure of their interaction in the framework of realization of state education storage system;

16) a depositor - a citizen of the Republic of Kazakhstan that is a party to a depository contract.

Article 2. The legislation of the Republic of Kazakhstan on state educational accumulative system

1. The legislation of the Republic of Kazakhstan on state educational accumulative system shall be based on the Constitution of the Republic of Kazakhstan and shall consist of this Law and other regulatory legal acts of the Republic of Kazakhstan.

2. If an international treaty ratified by the Republic of Kazakhstan establishes different rules than those contained in this Law, the rules of an indicated treaty shall be applied.

Article 3. Basic principles of state regulation in the field of state educational accumulative system

Basic principles of state regulation in the field of state education storage system shall be:

- 1) legality;
- 2) transparency;
- 3) designated purpose of educational storage deposit;
- 4) voluntary association of citizens and banks-participants to the participation in state educational accumulative system;
- 5) state encouragement of population to participation in state educational accumulative system.

Article 4. Competence of an authorized body in the field of education

An authorized body in the field of education shall:

- 1) annually develop long-term forecasts of the average cost of education by type of educational organizations;
- 2) approve the standard form of agreement on cooperation with the organization of education;
- 3) exercise other powers provided for by this Law, other Laws of the Republic of

Kazakhstan, Acts of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

Article 5. Legal bases of functioning of state educational accumulative system

1. State educational accumulative system shall apply to education on programs of technical and professional, post-secondary, higher and postgraduate (master's degree) education in the Republic of Kazakhstan, with the exception of the case provided for by paragraph 7 of Article 11 of this Law.

2. Participants of state educational accumulative system shall be a depositor, bank-participant, giver, the operator, educational organization and an authorized body in the field of education.

Article 6. Functions of the operator

The operator shall:

- 1) conclude a cooperation agreement with a Bank-participant;
- 2) conclude a cooperation agreement with the organization of education;
- 3) request from the bank-participant, educational organizations and depositor necessary information related to the conclusion, validity of the depositary contract, the cost and premium payment of the state value and payment of educational services, the status of the student;
- 4) carry out registration and maintain records of the concluded depositary contract;
- 5) eliminate the depositary contract from the unified register of contracts on educational storage bonuses and stop charging bonuses of the state on it after receiving from a bank-participant of confirming documents on transfer of the depositor in a foreign organization of education and the transfer of the accumulated funds of the investor the international organization of education;
- 6) twice a year it publish in mass media information about the execution by the bank-participant of the requirements of this Law, to participate in state educational savings system;
- 7) carry out a calculation of the state bonus, subjected to acceptance on educational savings deposit and bank-participant;
- 8) monitor compliance of bank-participant with the periods of transfer of premiums of the state on education storage deposits;
- 9) carry out recalculation of bonus award of the state in the cases provided by Article 14 of this Law;
- 10) issue a certificate - statement on the amount of the state reward, subjected to repayment to the budget, an investor, a Bank participant or educational organization;
- 11) ensure the completeness and timeliness of return of a bank-participant or organization of education of the premium amount of the state to the budget;
- 12) take measures on attraction to the responsibility a depositor, a bank -participant, educational organizations in case of detecting violations of the requirements presented to them by this Law and (or) agreement on cooperation in accordance with the procedure provided by the Laws of the Republic of Kazakhstan;
- 13) break the agreement on cooperation with a bank-participant unilaterally in case of failure to comply with the requirements by a bank-participant provided by paragraph 2 of Article 15 of this Law, as well as require translation money of depositor to other bank - participant at the choice of the depositor;
- 14) notify a bank-participant about the necessity of termination of depositary contract

with the depositor in case of detection of the fact of the loss of the citizenship of the Republic of Kazakhstan by investor.

Chapter 2. DEPOSITARY CONTRACT

Article 7. Depositary contract

1. Depositary contract shall be concluded in written form between a bank-participant and a depositor on the basis of the model contract approved by the Government of the Republic of Kazakhstan.

Depositary contract between a bank-participant and a minor depositor shall be concluded in accordance with the civil and banking legislation of the Republic of Kazakhstan.

2. Depositary contract shall be concluded for a period of not less than three years.

3. Upon expiration of depositary contract:

1) shall be prolonged automatically for the term of the contract, unless one of the parties expresses the intention to terminate it;

2) shall be extended for another term by agreement of the parties;

3) may be concluded with any other bank-participant at the choice of a depositor with the transfer of the rest money.

Article 8. Conditions of depositary contract

1. Depositary contract shall contain the following information:

1) subject of a contract;

2) the size of the initial one-time charge;

3) the period of validity of the contract;

4) the size and payment procedure of award of bank-participant;

5) the amount of the state reward, provided for by this Law;

6) the rights and obligations of the parties;

7) written consent of a depositor on the disclosure of bank secrets to operator;

8) responsibilities of the parties;

9) conditions for termination of the contract;

10) other provisions in accordance with the legislative acts of the Republic of Kazakhstan.

2. Educational storage deposit shall be opened in tenge.

3. Initial minimal one-time fee for opening an educational storage deposit shall be a three-fold size of the monthly settlement indicator established for corresponding fiscal year by the law on republican budget.

4. Bank-participant at the conclusion of the depositary contract shall calculate the recommended frequency of payment and the amount of additional contributions on education storage contributions.

5. On the account of a depositor, contributions from third parties in accordance with the banking legislation of the Republic of Kazakhstan may be made.

Article 9. Registration of depositary contract

1. Depositary contracts shall be subject to registration in the unified register of contracts on educational storage deposit for record of educational storage deposits on that are calculated state awards in accordance with Article 12 of this Law.

2. The operator shall register the submitted contracts of deposit by entering the

information in the unified register of contracts on education storage contribution and assignment of registration number by a bank-participant.

3. To the registration shall be subject submitted depositary contracts corresponding to the requirements of this Law by the bank-participants. The depositary contract shall not be subject for registration if the depositor has the depositary contract, registered by operator.

Article 10. Reward of bank-participant

1. Bank- participant shall pay the depositor award on the amount of deposit with monthly capitalization in the amount determined by the depositary contract.

2. Reward of bank-participant shall be calculated within depositary contract duration and shall join to the basic amount of educational storage deposit (shall be capitalized).

Article 11. Disposal of educational storage deposit

1. In the framework of the state storage system, the depositor or in the procedure and cases provided by the civil legislation of the Republic of Kazakhstan, his legal representative shall be entitled to transfer of money educational storage deposit from one bank- participant to other bank-participant in full amount no more than once per year.

2. In case of award to the depositor of educational grant, the depositor either in the procedure and cases provided for by the civil legislation of the Republic of Kazakhstan, his legal representative shall be entitled to:

1) continue accumulation of funds on educational storage deposit;

2) transfer funds of educational storage contribution to educational storage contribution , opened (being opened) in favor of a third person that is a citizen of the Republic of Kazakhstan;

3) direct the funds of educational storage contribution on payment of educational services in order to obtain other levels of education;

4) get the funds of educational storage deposit with the capitalized reward of bank-participant and accrued state reward.

3. At entering the educational institution on a contractual basis of educational services on request of the depositor or in the procedure and cases provided for by the civil legislation of the Republic of Kazakhstan, his legal representative shall be paid by the shares (for each academic period or academic year) or in full amount at a time (for the whole period of studies)

4. In case of death, recognition by the court as legally incapable, missing or declare dead or inability of the depositor to continue education due to health educational storage deposit shall be:

1) directed by the depositor or in the procedure and cases provided for by the civil legislation of the Republic of Kazakhstan, his legal representative or his heirs for educational storage deposit, opened (being opened) in favor of any third party (renewal);

2) paid to depositor or in the procedure and cases provided for by the civil legislation of the Republic of Kazakhstan, his legal representative or his heirs according to the terms of the depositary contract termination with retention of the state reward.

5. Upon remainder of funds on educational storage contribution after payment of educational services for the entire training period, the depositor or his legal representative shall be entitled to withdraw this amount together with accrued state reward in accordance with the procedure provided for and cases provided for by the civil legislation of the Republic of Kazakhstan.

6. The depositor or his legal representative shall be entitled to transfer the amount of the accumulated funds with accrued state award on contribution of a third person that is a citizen of the Republic of Kazakhstan, registered in the unified register of contracts on

educational storage contributions in accordance with the procedure provided for and cases provided for by the civil legislation of the Republic of Kazakhstan.

7. In case of receipt of a depositor in foreign educational institution, the depositor or his legal representative shall be entitled to make payment for education from the accumulated funds of the depositor including accrued awards of the state and reward of the bank-participant upon presentation of documents confirming crediting of depositor in foreign educational organization in accordance with the procedure provided for and cases provided for by the civil legislation of the Republic of Kazakhstan. Thus henceforth from the moment of transfer of funds in a foreign educational institution, a bonus award shall be terminated.

Chapter 3. Crediting, payment and repayment of the state award

Article 12. State award

1. The state award shall be charged for a registered depositary contract for a term, not exceeding twenty years.

2. Charge state reward shall be carried out annually on actually accumulated balance amount of contribution as of 1 January, with a minimum savings of one year. The state award shall be charged on the contractual time.

3. The state award shall be attached to the basic amount of contribution (capitalized).

4. Bonus state reward shall be terminated:

1) in case of expiration of the term of accruals provided for by paragraph 1 of this article;

2) in case of expiration of depositary contract;

3) from the date of death, the entry into legal force of a court decision on recognition of the depositor as incapable, missing or declare to be dead.

5. The state award shall be calculated in accordance with the methodology of calculation of the awards of the state, approved by the Government of the Republic of Kazakhstan.

Article 13. The amount of state reward

1. The state award shall be charged at the rate of five percent per annum on the amount of educational storage deposit, but not more than a hundred-fold size of the monthly settlement indicator established for corresponding fiscal year by the law on republican budget.

2. The state award shall be charged at the rate of seven percent per annum, but not more than a hundred-fold size of the monthly settlement indicator established for corresponding fiscal year by the law on republican budget on educational storage deposits, opened in favor of depositors, related to priority categories:

1) children-orphan and children left without parental care, including those of legal age , but not longer than until reaching twenty-three old age;

2) persons with disabilities;

3) children from large families with four or more living together minor children, including children in full-time study in institutions of secondary, technical and professional, secondary, higher and postgraduate (master's) education, once they reach adulthood prior to the time of graduation, but not longer than until reaching the age of twenty-three;

4) children from families with per capita incomes below the food basket.

3. The right for bonus state reward in the amount of seven percent per annum contributors specified in subparagraphs 1) and 2) of paragraph 2 of this Article, shall be confirmed by the operator annually by obtaining the necessary information from the authorized body in the field of social protection of population as of 1 January of the year following the year of accrual.

The right for getting state reward in the amount of seven percent per annum depositors

provided for in subparagraphs 3) and 4) of paragraph 2 of this article, shall be confirmed by the operator on a quarterly basis by obtaining the necessary information from the authorized body in the field of social protection of population as of the 1st day of the quarter following the confirmed quarter.

The state award in the amount of seven percent per annum shall be accrued in the corresponding year for the months during that has been confirmed the assignment of the investor to priority category.

4. An authorized body in the field of education and an authorized body on state planning shall annually submit proposals on increase of the state reward in the amount not lower than the inflation rate in accordance with the procedure provided by the legislation of the Republic of Kazakhstan.

Footnote. Article 13, as amended by the Law of the Republic of Kazakhstan dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 14. Repayment of the state award to the budget

1. Accrued state award shall be returned to the budget in cases:

1) termination at the instigation of depositor of depositary contract or termination of obligations under depositary contract in connection with the expiration of the period without the observance of the purposes;

2) within three calendar years from the date of expulsion of a depositor from the organizations of education;

3) detection of the fact of payment of the state award in the period of accumulation is less than the term provided by this Law;

4) the loss by the depositor of citizenship of the Republic of Kazakhstan.

2. Repayment of the state award to the budget shall be carried out by bank-participant through the operator's help on his certificate-statement on the amount of the award of the state, subject to repayment to the budget, within three banking days from the date of receipt by the bank-participant certificates-extracts from the operator:

1) on the grounds provided for by subparagraphs 1), 2) and 3) of paragraph 1 of this Article, the amount of accrued state awards in full amount;

2) on the basis provided for by subparagraph 4) of paragraph 1 of this Article, in the amount not used in educational services in accordance with the methodology of calculation of the state award approved by the Government of the Republic of Kazakhstan.

3. Upon expulsion of a depositor of the educational organization the amount not used for educational services, shall be transferred by the organization of education on educational storage deposit of the depositor within three working days from the day of issuing the order for expulsion.

Chapter 4. Interaction of participants of educational accumulative system

Article 15. Cooperation agreement

1. For participation in state education storage system, a bank-participant shall conclude with the operator of a cooperation agreement based on the model agreement on cooperation approved by the Government of the Republic of Kazakhstan.

2. The following requirements shall be presented to banks-participants:

1) availability of licenses of the National Bank of the Republic of Kazakhstan on acceptance of deposits, opening and maintaining banking accounts of individuals conducting money operations;

- 2) participation in the system of obligatory insurance of deposits;
 - 3) presence of branches in the oblast centers, the capital and cities of the republican significance;
 - 4) the lack of a functioning limited measures and (or) sanctions applied by the National Bank of the Republic of Kazakhstan, at the time of conclusion (re-conclusion) of the agreement on cooperation.
3. The operator shall conclude a cooperation agreement with the organization of education , payment of educational services that are financed at the expense of funds of educational storage deposit, on the basis of the approved model agreements on cooperation.
4. The cooperation agreement shall contain the subject, the rights and obligations of the parties, terms, procedure of their interaction and responsibility.

Article 16. Interaction of participants of state educational accumulative system upon conclusion and validity of depositary contract

1. Upon conclusion of the depositary contract, a bank-participant shall verify the compliance of the depositor with the requirements provided for by this Law, as well as the absence of the applicable depositary contract, opened in the name of the depositor.
2. For each depositary contract, a bank-participant shall submit to the operator information on the depositor, the status of the account, cash-flow of the depositor, the calculation and the amount of the state award, as well as other necessary information in established in the cooperation agreement terms and the procedure.
3. The operator shall request, and authorized body of documentation and issuance of passports and identification documents shall present information about the confirmation of depositors to citizenship of the Republic of Kazakhstan by 1 January annually.

Article 17. Interaction of participants of state storage system upon calculation and accrual of state awards

1. The operator shall present analysis of accrual of state awards for the upcoming fiscal year to an authorized body in the field of education forecast annually before 1 April of the current year on the basis of information provided by banks-participants on depositary contracts .
2. According to the results of the reporting year, the operator, shall present the final calculation of awards by the state to an authorized body in the field of education after receiving the necessary information from an authorized body in the field of social protection of population and an authorized body of documentation and issuance of passports and identification documents before 15 January of the year following the reporting year.
3. An authorized body shall transfer the total amount of state awards in accordance with the procedure provided by the legislation of the Republic of Kazakhstan at the expense of the operator in the field of education after obtaining a final calculation of the amount of state awards by 15 February of the year, following the reporting year from the operator.
4. An operator shall execute enlistment in the bank-participant with information about the rate of state award for each concluded depositary contract within five working days from the day of receipt from an authorized body in the field of education total state awards.
5. A bank-participant shall enlist state awards on accounts of depositors within two working days from the day of receiving from the operator of total amount of state awards.

Article 18. Interaction of participants of state educational accumulative system upon payment of educational services

1. Payment of educational services by means of educational storage deposit shall be carried out on request of the depositor.

Upon presenting copies of the contract for providing educational services to banks-participants shall transfer funds to educational storage deposit into the bank account of the organization of education within one working day.

2. Upon admission, transfer, registration of the academic leave, returning from academic leave, restoration, expelled from education institutions, including in connection with the issue, the depositor shall present to the bank participant and the operator copies of supporting documents not later than three working days.

3. The organization of education shall:

1) notify the bank-participant and the operator on admission, transfer, registration of the academic leave, returning from academic leave, restoration, expelled from education institutions, including in connection with the issue, the depositor by sending copies of the respective documents not later than three working days from the day of their adoption;

2) issue a certificate of tuition fees for the required academic period or the total cost at the date of issuing the certificate at the request of a depositor or a bank-participant;

3) submit the necessary information on the depositor, student in educational institutions upon request of the operator;

4) notify the operator within three working days upon transfer of the depositor in another educational institution at the expense of the host organization of education of the rest of made payment for educational services,.

The rest of effected payment for educational services shall be the difference between the amount received by the organization of education for the training of the depositor and the amount actually received for educational services at the date of issuance of the order of dismissal.

Chapter 5. Final provisions

Article 19. State support of state educational accumulative system

1. Educational storage deposit shall be subject of obligatory insurance of deposits of individuals in accordance with the legislation of the Republic of Kazakhstan.

2. The depositor shall be entitled to apply to get educational loans on concessional terms in the framework of state accumulative system of. Educational loan shall be granted to the borrower under hundred percent guarantee of an authorized by state organization in the amount of the accumulated amount not less than fifty percent of the amount, necessary for payment for training in full amount, by opening a lender line of credit for the remaining amount, with the possibility of adjusting for the amount of the increase in the cost of education in educational institutions.

Article 20. The order of the entry into force of this Law

This Law enters into force upon expiry of ten calendar days after its first official publication.

*The President
of the Republic of Kazakhstan*

N. NAZARBAYEV

