



On compulsory social medical insurance

Unofficial translation

Law of the Republic of Kazakhstan dated November 16, 2015 No. 405-V.

Unofficial translation

This Law regulates public relations arising in the system of compulsory social medical insurance for purposes of enforcement of the constitutional right of citizens to health protection.

Chapter 1. GENERAL PROVISIONS

Article 1. Basic definitions, used in the Law

The following basic definitions shall be used in the Law:

1) deductions - money paid by employers at their own expense to the social medical insurance fund, granting the right to consumers of medical services for whom the deductions were paid to receive medical aid in the system of compulsory social medical insurance;

2) payers of deductions and (or) contributions (hereinafter - payers) - persons carrying out estimations, withholding, transfer, payment of deductions and (or) contributions to the social medical insurance fund in manner established by this Law;

3) The social medical insurance Fund (hereinafter - the Fund) - a non-commercial organization that accumulates deductions and contributions, as well as carries out procurements and services payments of healthcare entities providing medical assistance in the scopes and conditions provided by the medical services procurement contract, and other functions determined by law Republic of Kazakhstan;

4) authorized agency in the field of health care (hereinafter referred as - authorized agency) - central executive authority carrying out governance and inter-sectoral coordination in the field of health protection of citizens, medical and pharmaceutical science, medical and pharmaceutical education, medicinal products circulation and medical devices, quality control of medical services;

5) health care entities - health care organization, as well as individuals engaged in private medical practice and pharmaceutical activities;

6) procurement of services from health care entities - planning, choice, conclusion and execution of the medical services procurement contract;

7) contributions - money paid to the fund by contribution payers specified in paragraph 2 of Article 14 of this Law, and granting the right to consumers of medical services to receive medical aid in the system of compulsory social medical insurance;

7-1) professional with a private practice - private notary, private bailiff, lawyer, professional mediator;

7-2) investment income – increments of fund assets expressed in terms of money, received in the result of their investment;

8) Fund assets – deductions and contributions, fee received for late payment of deductions and (or) contributions, investment income, minus commission remuneration for maintenance of fund activity, as well as other income to the fund not prohibited by the legislation of the Republic of Kazakhstan;

9) joint commission on quality of medical services (hereinafter - joint commission) – consultative and advisory body at the authorized body, created for making recommendations on improving clinical protocols, standards of medical education, provision of medicines, standards of quality control system and accessibility of services in the field of health care;

10) Procurement contract of medical services (hereinafter – services procurement contract) – an agreement in written form between the Fund and health care entity, providing for medical aid within statutory free medical assistance and (or) in the system of compulsory social medical insurance;

11) consumer of medical services - an individual who, in accordance with this Law, shall has the right to receive medical assistance in the system of compulsory social medical insurance;

12) compulsory social medical insurance - a complex of legal, economic and organizational measures to provide medical assistance to consumers of medical services at the expense of the fund assets of social medical insurance;

13) compulsory social medical insurance system - a set of norm and rules established by state governing the relations between participants of compulsory social medical insurance system;

14) medical assistance in the system of compulsory social medical insurance –the scope of medical assistance provided to consumers of medical services at the expense of the Fund assets of social medical insurance;

15) is excluded by Law of the Republic of Kazakhstan dated 30.06.2017 No. 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

16) is excluded by Law of the Republic of Kazakhstan dated 30.06.2017 No. 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

17) State Corporation "Government for Citizens" (hereinafter referred to as the State Corporation) - is a legal entity established by the decision of the Government of the Republic of Kazakhstan to provide state services in accordance with the legislation of the Republic of Kazakhstan, organizing work on receiving applications for provision of state services and issuing their results to a service recipient on "one window " principle, and ensuring the provision of state services in electronic form.

Footnote. Article 1 as amended by Laws of the Republic of Kazakhstan dated 30.06.2017 No. 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 25.12.2017 No. 122-VI (shall be enforced from 01.01.2018); dated 26.12.2018 No. 203-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2018 №. 211-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 2. Scope of application this Law

1. Is excluded by Law of the Republic of Kazakhstan dated 30.06.2017 No. 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

2. Foreigners and stateless persons permanently residing in the territory of the Republic of Kazakhstan, as well as repatriates, shall exercise rights and be under obligations in the system of compulsory social medical insurance on equal terms with citizens of the Republic of Kazakhstan, unless otherwise provided by this Law.

3. Foreigners and their family members temporarily staying in the territory of the Republic of Kazakhstan in accordance with the terms of international treaty ratified by the Republic of Kazakhstan shall exercise rights and be under obligations in the system of compulsory social medical insurance on equal terms with citizens of the Republic of Kazakhstan, unless otherwise provided by laws and international treaties.

Family members of foreigners shall be cohabiting husband (wife) and children.

Footnote. Article 2 as amended by Laws of the Republic of Kazakhstan dated 30.06.2017 No. 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 3. Legislation of the Republic of Kazakhstan on compulsory social medical insurance

1. The legislation of the Republic of Kazakhstan on compulsory social medical insurance shall base on the Constitution of the Republic of Kazakhstan and consists of this Law and other normative legal acts of the Republic of Kazakhstan.

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

3. Legal relations regulated by the legislation of the Republic of Kazakhstan on compulsory social medical insurance shall not be covered by the legislation of the Republic of Kazakhstan on insurance and insurance activities.

Article 4. Principles of compulsory social medical insurance

Compulsory social medical insurance shall be based on the principles:

- 1) observance and execution of the legislation of the Republic of Kazakhstan on compulsory social medical insurance;
- 2) obligatoriness of deductions and (or) contributions payment;
- 3) joint liability of the state, employers and citizens;
- 4) accessibility and quality of provided medical assistance;
- 5) use of fund assets exclusively for provision of medical assistance in the system of compulsory social medical insurance;
- 6) visibility of the Fund activities.

Article 5. The right to medical assistance in the system of compulsory social medical insurance

N o t e b y R C L I !

Paragraph 1 shall be enforced from 31.03.2020 in accordance with the Law of the Republic of Kazakhstan 13.11.2015 No. 405-V.

1. The right to medical assistance in the system of compulsory social medical insurance shall be granted to persons for whom deductions and (or) contributions payments were made to the fund, as well as exempted from payment to the fund in accordance with paragraph 7 of article 28 of this Law.

2. In case of non-payment of deductions and (or) contributions, the person shall receive medical assistance in the system of compulsory social medical insurance for no more than three months from the date of the termination of the payment of such deductions and (or) contributions. This right shall not relieve person of the obligation to pay contributions to the fund for the unpaid period.

Contributions payable after three months from the date on which such contributions cease to be paid shall be credited against the unpaid period.

Note of RCLI!

Paragraph 2-1 shall remain in force until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI.

2-1. The provisions of Paragraph 2 of this Article shall not apply to individuals who are payers of a single cumulative payment in accordance with Article 774 of the Code of the Republic of Kazakhstan "On taxes and other compulsory payments to the budget" (Tax Code)

Note by RCLI!

Paragraph 3 shall be enforced from 01.01.2020 in accordance with the Law of the Republic of Kazakhstan 13.11.2015 No. 405-V.

3. Persons for whom payment of deductions and (or) contributions to the fund have not been paid, in order to acquire the right to medical assistance in the system of compulsory social medical insurance, shall obliged to pay contributions to the fund for the unpaid period,

but no more than twelve months preceding the date of payment, in the amount of 5 percent of minimum earnings established for the current financial year by the law on the Central Government Budget.

Note by RCLI!

Parttwoofparagraph 3 shall remain in force until 31.12.2020 in accordance with the Law of the Republic of Kazakhstan 13.11.2015 No. 405-V.

In case when the unpaid period estimation, this period covers time that occurred before January 1, 2020, then it shall not be included in the estimated unpaid period.

Note of RCLI!

Paragraph 3-1 shall remain in force until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 No. 203-VI.

3-1. For acquisition of a right to medical assistance in the system of compulsory social medical insurance of a person, provided by Subparagraph 10) of Paragraph 2 of Article 14 of this Law, shall be obliged to pay contributions to the Fund not less than three consecutive months preceding the date of receipt of medical assistance.

Note by RCLI!

Paragraph 4 shall be enforced from 01.01.2020 in accordance with the Law of the Republic of Kazakhstan 13.11.2015 No. 405-V.

4. Persons for whom deductions and (or) contributions to the fund have not been received or who have not paid contributions to the fund shall be provided with a guaranteed scope of free medical assistance in accordance with the Code of the Republic of Kazakhstan "On people's health and health care system".

Footnote. Article 5 is in the wording of the Law of the Republic of Kazakhstan dated 30.06.2017 No. 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by Laws of the Republic of Kazakhstan dated 25.12.2017 No. 122-VI (shall be enforced from 01.01.2018); dated 26.12.2018 № 203-VI (shall be enforced from 01.01.2019); dated 28.12.2018 No. 208-VI (shall be enforced from 01.01.2020).

Note by RCLI!

Article 6 shall be enforced from 01.01.2020 in accordance with the Law of the Republic of Kazakhstan 13.11.2015 No. 405-V.

Article 6. The right of choice of health care organization in the system of compulsory social medical insurance

N o t e o f R C L I !

Part one of Paragraph 1 shall be provided in the wording of the Law of the Republic of Kazakhstan dated 28.12.2018 No. 208-VI (shall be enforced from 01.01.2020).

1. Citizens have the right to choose the organization of primary health care, a doctor in the system of compulsory social health insurance.

The procedure for attachment of citizens to the primary health care organization shall be determined by the authorized body.

2. Citizens shall have the right of choice of medical organization providing hospital care in the system of compulsory social medical insurance in cases of receiving elective care.

3. The right of choice medical organization in the system of compulsory social medical insurance arises for citizens since acquires the right to medical assistance in the system of compulsory social medical insurance.

Footnote. Article 6 as amended by the Law of the Republic of Kazakhstan dated 28.12.2018 No. 208-VI (shall be enforced from 01.01.2020).

Note by RCLI!

Article 7 shall be enforced from 01.01.2020 in accordance with the Law of the Republic of Kazakhstan 13.11.2015 No. 405-V.

Note of RCLI!

Article 7 shall be provided in the wording of the Law of the Republic of Kazakhstan dated 28.12.2018 No. 208-VI (shall be enforced from 01.01.2020).

Article 7. Medical assistance in the system of compulsory social health insurance

1. The system of compulsory social health insurance provides for:

1) consultative and diagnostic assistance by the assignment of a primary health care specialist and subject matter specialists:

preventive medical examinations of children under the age of eighteen and persons over eighteen years of age in the manner and with the frequency established by the authorized body;

reception and consultations by subject matter specialists of persons with diseases that are not subject to dynamic monitoring within the guaranteed volume of free medical care, provision of emergency and planned dental care to certain categories of the population according to the list determined by the authorized body;

2) hospital-replacing care, with the exception of cases of treatment of diseases within the guaranteed volume of free medical care, by the assignment of a primary health care specialist or a medical organization;

3) a planned inpatient care, with the exception of cases of treatment of diseases within the guaranteed volume of free medical care, by the assignment of a primary health care specialist or a medical organization within the framework of the planned number of cases of hospitalization;

4) medical rehabilitation and remedial treatment by the assignment of a primary health care specialist or a medical organization according to the list of diseases (conditions) determined by the authorized body;

5) anatomopathological diagnostics of diseases that are not included in the guaranteed volume of free medical care.

2. Provision of medicines, medical devices, specialized medicinal products, immuno-biological preparations in the provision of medical care in the system of compulsory social health insurance is carried out in the provision of:

1) inpatient and hospital-replacing care - in accordance with the medicinal formulary of healthcare organizations;

2) outpatient care - in accordance with the list of medicines, medical devices and specialized medical products, approved by the authorized body for free and preferential provision of certain categories of citizens with certain diseases (conditions).

3. When providing medical care in the system of compulsory social health insurance, the healthcare entities use medicines, medical devices, specialized medical products, immuno-biological drugs registered in the Republic of Kazakhstan. Medicines should be included in the Kazakhstan National Pharmaceutical Formulary.

It is allowed to use medicines, medical devices unregistered in the Republic of Kazakhstan for provision of medical care according to the vital indications of a specific patient or for provision of medical care to a limited contingent of patients with rare and (or) especially severe pathology in the manner determined by the authorized body.

4. Medical assistance in the system of compulsory social health insurance is provided by healthcare entities located in the territory of the Republic of Kazakhstan.

5. Medical assistance in the system of compulsory social health insurance is provided on the basis of clinical protocols by medical workers admitted to clinical practice in the territory of the Republic of Kazakhstan.

Footnote. Article 7 as amended by the Law of the Republic of Kazakhstan dated 28.12.2018 No. 208-VI (shall be enforced from 01.01.2020).

Article 8. Ensuring the resources protection of compulsory social medical insurance

1. State guarantees safety of the Fund assets.

2. The safety of the Fund assets shall be ensured by:

1) regulating activities of the Fund by setting standards and limits to ensure the financial sustainability of the fund;

2) carrying out the investment activities through the National Bank of the Republic of Kazakhstan;

3) accounting of all operations on investment management of the fund assets in the National Bank of the Republic of Kazakhstan;

- 4) maintaining separate accounting of own funds and the fund assets;
- 5) an annual independent audit performance;
- 6) submission of regular financial statements by the fund in the manner established by the legislation of the Republic of Kazakhstan on accounting and financial statements;
- 7) determining a list of financial instruments for investing fund assets.

Chapter 2. STATE REGULATION OF THE SYSTEM OF COMPULSORY SOCIAL MEDICAL INSURANCE

Article 9. State bodies carrying out state regulation of the system of compulsory social medical insurance

State regulation of the system of compulsory social medical insurance shall be carried out by:

- 1) Government of the Republic of Kazakhstan;
- 2) authorized body;
- 3) local executive bodies of regions, cities of republican significance and the capital.

Article 10. Competence of the Government of the Republic of Kazakhstan

Government of the Republic of Kazakhstan:

- 1) approves the list of medical assistance in the system of compulsory social medical insurance;
- 2) makes decisions on the establishment, reorganization or liquidation of a fund in the manner provided by the laws of the Republic of Kazakhstan;
- 3) determine the list of financial instruments for investment fund assets;
- 4) adjust the fund reserve for unforeseen expenses;
- 5) establish the norms and limits ensuring the financial sustainability of the fund;
- 5-1) determines the procedure for the formation and use of the fund reserve for covering unforeseen expenses;
- 6) performs other functions assigned to it by the Constitution of the Republic of Kazakhstan, this Law, other Laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan.

Footnote. Article 10 as amended by Laws of the Republic of Kazakhstan dated 30.06.2017 No. 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 11. Competence of the authorized body

The authorized body shall:

1) develop and determine the procedure and terms of calculation (withholdings) and transfer of deductions and (or) contributions to compulsory social medical insurance;

2) is excluded by Law of the Republic of Kazakhstan dated 30.06.2017 No. 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

2-1) develop and determine the procedure and methodology for tariffs formation for medical services in the system of compulsory social medical insurance;

3) develop size of the fund reserve for unforeseen expenses;

3-1) develop the procedure for the formation and use of fund reserve for covering unforeseen expenses;

4) develop norms and limits ensuring the financial sustainability of the fund;

5) develop annually a proposal to establish the maximum value of the interest rate of commission remuneration from the fund assets, directed for ensuring the fund activity;

6) develop a list of financial instruments for investing fund assets;

7) develop and approve the list, forms, terms of the presented financial and other statements by the fund to ensure control functions;

8) analyze, evaluate and control the financial sustainability of the fund;

9) carry out the internal control over the fund activities in the manner established by the laws of the Republic of Kazakhstan;

10) have the right to receive information on the fund activities, as well as information from state bodies and organizations, necessary for the implementation of its control functions;

11) is excluded by the Law of the Republic of Kazakhstan dated 28.12.2018 № 208-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

12) exercise other powers provided by this Law, other Laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

Footnote. Article 11 as amended by Laws of the Republic of Kazakhstan dated 06.04.2016 No. 483-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.06.2017 No. 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2018 № 208-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 12. Competence of local executive bodies of regions, cities of republican significance and the capital

Local executive bodies of regions, cities of republican significance and the capital shall:

1) ensure the implementation of the rights of citizens of the Republic of Kazakhstan, repatriates, as well as foreigners and stateless persons permanently residing in the territory of the Republic of Kazakhstan for medical assistance in the system of compulsory social medical insurance;

2) provide planning of medical assistance in the system of compulsory social medical insurance;

3) pay for travel within the country to certain categories of citizens according to the list determined by local representative bodies of regions, cities of republican significance and the capital, traveling outside the settlement of their permanent residence for receiving high-tech medical services within the medical assistance in the system of compulsory social medical insurance;

4) carry out in the interests of local government other powers imposed on local executive bodies by the legislation of the Republic of Kazakhstan.

Footnote. Article 12 as amended by Laws of the Republic of Kazakhstan dated 30.06.2017 No. 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Chapter 3. PARTICIPANTS OF THE SYSTEM OF COMPULSORY SOCIAL MEDICAL INSURANCE

Article 13. Participants of the system of compulsory social medical insurance

Participants of the system of compulsory social health insurance shall be:

- 1) payers;
- 2) consumers of medical services;
- 3) health care entities;
- 4) authorized body;
- 5) the National Bank of the Republic of Kazakhstan;
- 6) Fund;
- 7) State Corporation;
- 8) other authorized bodies.

Article 14. Payers

1. Payers of deductions shall be employers, including foreign legal entities operating in the Republic of Kazakhstan through a permanent enterprise, as well as branches, representative offices of foreign legal entities that estimate (withhold) and transfer deductions and contributions to the fund in the manner prescribed by Chapter 6 of this Law.

2. Contribution payers shall be:

- 1) The State;
- 2) employees, including state and civil servants, except for military servants, law enforcement officers, special state bodies;
- 3) individual entrepreneurs;
- 4) professionals with a private practice;

5) is excluded by the Law of the Republic of Kazakhstan dated 26.12.2018 No. 203-VI (shall be enforced from 01.01.2019);

6) is excluded by the Law of the Republic of Kazakhstan dated 26.12.2018 No. 203-VI (shall be enforced from 01.01.2019);

7) is excluded by the Law of the Republic of Kazakhstan dated 26.12.2018 No. 203-VI (shall be enforced from 01.01.2019);

8) individuals who receive income under civil law contracts concluded with a tax agent in accordance with the legislation of the Republic of Kazakhstan (hereinafter - individuals who receive income under civil law contracts);

9) the persons who independently pay contributions, including citizens of the Republic of Kazakhstan who have left the Republic of Kazakhstan (hereinafter referred to as - independent payers), except for the persons specified:

in subparagraphs 2), 8) and 10) of part one of this Paragraph;

in subparagraph 3) of part one of this Paragraph, except for having suspended the submission of tax reports or declared inactive in accordance with the tax legislation of the Republic of Kazakhstan;

in Subparagraph 4) of part one of this Paragraph, except for having suspended the submission of tax reports in accordance with the tax legislation of the Republic of Kazakhstan ; as well as the citizens of the Republic of Kazakhstan who leave for permanent residence beyond the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan, and citizens for whom payments of deductions and (or) contributions shall be paid in the Republic of Kazakhstan;

Note of RCLI!

Subparagraph 10) shall remain in force until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 No. 203-VI.

10) individuals who are payers of a single cumulative payment in accordance with Article 774 of the Code of the Republic of Kazakhstan "On taxes and other compulsory payments to the budget" (Tax Code).

Payers of contributions shall not be foreigners and stateless persons, with the exception of persons permanently residing in the territory of the Republic of Kazakhstan, and repatriates, unless otherwise provided by international treaties ratified by the Republic of Kazakhstan.

3. Calculation (withholding) and transfer of employees contributions including state and civil servants to the Fund shall be carried out by employers at the expense of employees including state and civil servants income.

4. Accounting (withholding) and transfer of individuals contributions received income under civil-legal contracts to the fund shall carried out at the expense of income of such individuals by tax agents defined by the tax legislation of the Republic of Kazakhstan (hereinafter - tax agent).

4-1. Calculation and transfer of professionals with a private practice, individual entrepreneurs, and independent payers shall be carried out independently or by a third party in their favor.

5. Payers shall have the right:

1) for return of erroneously payment of deductions and (or) contributions, and (or) fees for late and (or) incomplete payment of deductions and (or) contributions;

1-1) for the return of overpaid amounts of deductions and (or) contributions in the absence of debts for the previous period;

2) request and receive necessary free information from the fund about the transferred amounts of deductions and (or) contributions;

3) on the exercise of other rights provided by this Law.

6. Payers (with the exception of the persons specified in Subparagraphs 2), 8), 9) and 10) of part one of Paragraph 2 of this Article) shall be obliged to:

1) to calculate (withhold) and transfer deductions and (or) contributions timely and in full, as well as penalties for untimely and (or) incomplete payment of deductions and (or) contributions;

2) independently calculate and recalculate the amount of deductions and (or) contributions paid to the Fund.

7. Employers, tax agents shall be obliged to notify employees, state and civil servants, individuals receiving income under civil-legal contracts of monthly deductions, as well as withheld and transferred contributions of employees, state and civil servants, individuals receiving income under civil-legal contracts.

Footnote. Article 14 as amended by Laws of the Republic of Kazakhstan dated 30.06.2017 No. 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 25.12.2017 No. 122-VI (shall be enforced from 01.01.2018); dated 26.12.2018 No. 203-VI (shall be enforced from 01.01.2019); dated 28.12.2018 № 208-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 15. Consumers of medical services

1. Consumers of medical services shall have the right to:

1) obtaining timely and quality medical assistance;

2) choice of a medical organization in the system of compulsory social medical insurance in accordance with this Law.

2. Consumers of medical services enjoy the rights of patients provided by the Code of the Republic of Kazakhstan "On public health and health care system".

3. Consumers of medical services shall bear the obligations provided by Articles 90 and 92 of the Code of the Republic of Kazakhstan "On public health and health care system", as well as other obligations provided by the laws of the Republic of Kazakhstan.

Article 16. Health care entities

1. Health care entities upon rendering of medical assistance in the system of compulsory social medical insurance shall have the right:

1) in agreement with the fund, conclude contracts with other health care entities to fulfill obligations under the services procurement contract;

2) appeal to the fund to clarify terms of services procurement contract.

2. Health care entities upon rendering of medical assistance in the system of compulsory social medical insurance shall be obliged to provide:

1) timeliness, accuracy and correctness of entering data into information systems and electronic information resources of the system of compulsory social health insurance;

2) access to the information systems and electronic information resources of the system of compulsory social health insurance;

3) provision, upon request of the fund of information and documentation necessary for monitoring the fulfillment of the terms and conditions of the service procurement contract;

4) at request of the fund, access to medical organization that provides medical assistance for monitoring the fulfillment of the terms and conditions of the service procurement contract.

3. Upon providing medical assistance in the system of compulsory social medical insurance, health care entities shall have obligations stipulated by the Code of the Republic of Kazakhstan "On public health and health care system", as well as other obligations provided by the laws of the Republic of Kazakhstan.

Article 17. State Corporation

1. The State Corporation in the system of compulsory social medical insurance shall carry out the following activities related to the state monopoly:

1) processing and transfer of deductions, contributions and (or) penalties for untimely and (or) incomplete payment of deductions and (or) contributions from payers to the Fund within three banking days;

2) returning overpaid (erroneously) credited amounts of deductions, contributions and (or) penalties for untimely and (or) incomplete payment of deductions and (or) contributions to payers in the manner determined by the authorized agency;

3) transferring overpaid (erroneously) paid amounts of deductions and (or) contributions to payers within three banking days from the date of transfer of these funds from the Fund to the account of the State Corporation;

4) forms a monthly need and sends to the authorized agency applications for the need for budgetary funds for state contributions to compulsory social medical insurance for the persons specified in Paragraph 1 of Article 26 of this Law.

2. The State Corporation in the system of compulsory social medical insurance shall carry out the following activities technologically related to the state monopoly:

1) update the database of individuals for whom the deductions and (or) contributions have been paid, and also provide for the payment of contributions by the state in accordance with Paragraph 1 of Article 26 of this Law;

2) personalized accounting of deductions and (or) contributions on the basis of individual identification numbers and reconciling receipts of deductions and (or) contributions on the basis of information system of the authorized state agency for labor with information systems of state agencies and state revenues authorities by the integration of information systems;

3) submit the registers of received and returned deductions and contributions of payers to the authorized state agency managing for receipt of taxes and other compulsory payments to the budget;

4) provide information services to the participants of compulsory social medical insurance system in accordance with the activities of the State Corporation, taking into account the requirements of the legislation of the Republic of Kazakhstan for confidentiality of information on status and movement of deductions and (or) contributions;

5) provide information from information systems in compulsory social medical insurance system to the Fund;

6) ensure the confidentiality of information on status and movement of deductions and (or) contributions, except for cases provided by the Laws of the Republic of Kazakhstan;

7) give the necessary explanations on implementation of transfer, payment, return of overpaid (erroneously) paid amounts of deductions and (or) contributions;

8) form and transfer the documents to the Fund for return of overpaid (erroneously) paid amounts of deductions and (or) contributions;

9) provision of state services by “a window” principle, for actualization of social status of persons whose contributions shall be paid by the state.

3. Central executive authorities and state authorities directly subordinate and accountable to the President of the Republic of Kazakhstan, with the exception of the National Bank of the Republic of Kazakhstan shall ensure the access of the State Corporation, within its competence, to information systems under their jurisdiction, subject to compliance with the requirements provided by the legislation of the Republic of Kazakhstan on informatization and state secrets.

The State Corporation shall be obliged to create the necessary conditions for protection of information received within the implementation of part one of this Paragraph in accordance with the requirements provided by the legislation of the Republic of Kazakhstan on informatization and state secrets.

Access and use of information by the State Corporation from the information systems of state authorities shall be provided in the manner determined by the joint regulatory legal act of the authorized state agency.

4. The state corporation shall cooperate with the Fund on the issues of accounting, transfer, return of deductions and (or) contributions.

Footnote. Article 17 is in the wording of the Law of the Republic of Kazakhstan dated 28.12.2018 No. 208-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Chapter 4. FUND OF SOCIAL MEDICAL INSURANCE

Article 18. Fund status and assets

1. The Fund is a non-commercial organization in legal form of organization of a joint stock company, the sole founder and shareholder of which is the Government of the Republic of Kazakhstan.

2. Fund bodies:

- 1) supreme body - sole shareholder;
- 2) management body - board of directors;
- 3) executive body - board;
- 4) other bodies in accordance with the fund charter.

3. The Fund creates an internal audit service.

4. Fund assets shall form by:

1) deductions, contributions, fees received for late payment of deductions and (or) contributions, investment income minus the commission remuneration for maintenance of the Fund activity;

2) other receipts to the fund not prohibited by the legislation of the Republic of Kazakhstan.

5. The Fund assets shall be placed on accounts opened in the National Bank of the Republic of Kazakhstan and can be used exclusively for the following purposes:

1) payment for services of health care entities in the provision of medical assistance in the system of compulsory social medical insurance;

2) placement in financial instruments, the list of which is determined by the Government of the Republic of Kazakhstan;

3) refund of overpaid amounts of deductions and (or) contributions, other erroneously credited funds.

6. Fund assets cannot be:

- 1) subject of a pledge;
- 2) collected at the request of creditors;
- 3) subject to arrest or other encumbrance;
- 4) collected by collection order for the obligations of the fund and third parties;

5) transferred to trust management, with the exception of cases provided by Article 21 of this Law;

6) the subject of ensuring the execution of a tax obligation that was not fulfilled in time.

Footnote. Article 18 as amended by Laws of the Republic of Kazakhstan dated 30.06.2017 No. 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 19. The Fund activity

1. The fund operates at the expense of commission remuneration received from the Fund assets. The maximum interest rate of commission remuneration shall establish annually by the Government of the Republic of Kazakhstan.

2. Own funds (property) of the Fund shall form and consist of the authorized capital of the Fund, commission remuneration and other incomes to the Fund, not prohibited by the legislation of the Republic of Kazakhstan.

3. The Fund carries out the following activities related to the state monopoly:

1) accumulation of deductions and contributions;

2) payment for services of health care entities in the provision of medical assistance in the system of compulsory social medical insurance;

3) other activities in accordance with the Code of the Republic of Kazakhstan " On public health and health care system".

4. The Fund carries out the following activities technologically related to the state monopoly:

1) accounting of consumers of medical services in compulsory social health insurance;

2) accounting of health care entities, providing medical assistance in the system of compulsory social medical insurance;

3) creation and development of information system and electronic information resources of the system of compulsory social medical insurance.

5. Prices for goods (work, services) produced and (or) distributed by state monopoly entity shall establish by the authorized body in coordination with the antimonopoly authority.

6. In the part not regulated by this Law, to the Fund activity shall apply the legislation of the Republic of Kazakhstan on joint stock companies.

Footnote. Article 19 as amended by Laws of the Republic of Kazakhstan dated 30.06.2017 No. 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 20. Rights and obligations of the Fund

1. The Fund shall has the right to:

1) receive a commission remuneration from the Fund assets for own activities;

2) request and receive information and documentation from participants of the system of compulsory social medical insurance necessary for monitor, implementation of conditions of services procurement contract;

3) monitor the fulfillment of the terms and conditions of the services procurement contract by visiting a health care entity providing medical assistance;

4) establish branches and representative offices in the Republic of Kazakhstan in the manner established by the legislation of the Republic of Kazakhstan;

5) develop proposals on formation of a list of medical assistance in the system of compulsory social medical insurance and size of tariffs for medical services provided within the framework of medical assistance in the system of compulsory social medical insurance;

6) carry out advisory and explanatory work among the population and health care organizations on issues of compulsory social medical insurance;

7) exercise other rights provided by the legislation of the Republic of Kazakhstan.

2. The Fund shall be obliged:

1) to accumulate deductions and contributions for compulsory social medical insurance;

2) to ensure timely payment for services of health care entities under terms of the services procurement contract;

3) to place temporarily free resources of the Fund to financial instruments through the National Bank of the Republic of Kazakhstan;

4) ensure an annual independent audit performance;

5) return of overpaid (erroneously) paid amounts of deductions, contributions and (or) penalties for untimely and (or) incomplete payment of deductions and (or) contributions;

6) to form a reserve for unforeseen expenses in the manner determined by the Government of the Republic of Kazakhstan;

7) to plan costs of medical assistance in the system of compulsory social medical insurance;

8) monitor performance of a contractual obligation on quality and scope of medical assistance by health care entities provided to consumers of medical services;

9) consider complaints and appeals of citizens and health care organizations regarding the provision of medical assistance in the system of compulsory social medical insurance;

10) to execute other duties in accordance with the laws of the Republic of Kazakhstan.

3. The Fund shall have the right:

1) dispose of the Fund assets, except for the cases provided for by this Law;

2) do an entrepreneurial and other activities not provided by the laws of the Republic of Kazakhstan.

Footnote. Article 20 as amended by Laws of the Republic of Kazakhstan dated 30.06.2017 No. 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2018 № 208-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 21. The Fund investment activity

1. The Fund carries out investment activities by the Fund assets allocation to financial instruments through the National Bank of the Republic of Kazakhstan on the basis of a trust management agreement concluded between the fund and the National Bank of the Republic of Kazakhstan.

2. The National Bank of the Republic of Kazakhstan keeps records of all operations related on accumulation and Fund assets allocation, receiving investment income, and quarterly submits a report on the status of accounts and investment activities to the Fund in accordance with the concluded trust management agreement.

Article 22. Accounting and Reporting

1. The Fund keeps accounting records and presents financial statements separately for its own resources and the Fund assets in the manner established by the legislation of the Republic of Kazakhstan on accounting and financial reporting.

2. The Fund shall obliged to ensure the accounting and storage of documents used in accounting and reporting. The list of main documents to be stored, and the terms of the storage shall be established by the legislation of the Republic of Kazakhstan.

Article 23. The Fund audit

1. Audit of the Fund shall carry out by an audit organization authorized to perform an audit in accordance with the legislation of the Republic of Kazakhstan on auditing activities.

2. An audit report of the financial statements of the Fund shall not constitute a commercial secret.

3. According to the results of the annual audit of the Fund, the audit organization draws up two audit reports:

- 1) on financial statements of the Fund;
- 2) on the Fund assets.

An annual audit report on the Fund assets of includes inspection of accounting procedures and financial reporting procedures for the Fund assets for compliance with the requirements established by the legislation of the Republic of Kazakhstan.

The expenses on annual audit of the Fund shall carried out at the Fund's own recourses.

Article 24. Requirements for the Fund leading employees

1. The Fund leading employees are the first head of the executive body and his deputies.

2. The following requirements shall be established for the Fund leading employees:
possession of a higher vocational (medical or financial-economic) education;

possession of not less than five years' work experience in leading positions directly related to professional activities in the securities market and in organizations operating in the financial market, or not less than five years' work experience in leading positions in quasi-public sector entities, or not less than ten years' work experience of public service, including not less than five years in leading positions in government bodies or not less than five years' work experience in leading positions in the field of health care.

3. The Fund leading employee cannot be a person:

1) previously committed corruption offense;

2) previously the first head, deputy first head, chief accountant of a legal entity that was declared bankrupt or subjected to rehabilitation, preservation, forced liquidation while the person was in the position of first head, deputy first head, chief accountant of the legal entity.

Chapter 5. FINANCING OF THE SYSTEM OF COMPULSORY SOCIAL

MEDICAL INSURANCE

Article 25. Financing sources

Financing sources of the system of compulsory social medical insurance shall be:

1) deductions, contributions, fees received for late payment of deductions and (or) contributions, and investment income;

2) other incomes not prohibited by the legislation of the Republic of Kazakhstan.

Footnote. Article 25 as amended by Laws of the Republic of Kazakhstan dated 30.06.2017 No. 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 26. State contributions to compulsory social medical insurance

1. State contributions to compulsory social medical insurance shall be paid monthly during the first five working days of the current month in the manner determined by the budget legislation of the Republic of Kazakhstan for the following persons:

1) children;

2) persons registered as unemployed;

3) non-working pregnant women;

4) a nonworking person (one of the legal representatives of a child) raising a child (children) until he/she (they) reach the age of three years, with the exception of the persons specified in Subparagraph 5) of this Paragraph;

5) persons on leave due to pregnancy and childbirth, adoption of a newborn child (children), to care for a child (children) until he/she (they) reach the age of three years;

6) non-working persons caring for a disabled child;

- 6-1) nonworking person caring for a disabled person of the first group since childhood;
- 7) recipients of pension payments, including participants and disabled persons of the Great Patriotic War;
- 8) persons enduring the punishment by decree in the institutions of correctional (penitentiary) system (with the exception of the minimum security institutions);
- 9) persons in pretrial detention facility;
- 10) non-working repatriates;
- 11) mothers with many children, awarded with pendants "Altynalka", "Kimisalka" or previously received the title of "Mother-heroine", as well as awarded with the orders "Maternal Glory" I and II degree;
- 12) disabled persons;
- 13) persons studying full-time education in organizations of secondary, technical and vocational, post-secondary, higher education, as well as post-graduate education;
- 14) is excluded by the Law of the Republic of Kazakhstan dated 28.12.2018 No. 208-VI (shall be enforced upon expiry of ten calendar days after its first official publication).
- 15) nonworking recipients of state targeted social assistance.

For the purposes of this Paragraph, non-working persons shall be understood to be persons not engaged in entrepreneurial or labor activity and not have income.

Note of RCLI!

Paragraph 2 shall be provided in the wording of the Law of the Republic of Kazakhstan dated 28.12.2018 No. 208-VI (shall be enforced from 01.01.2020).

2. Contributions of the state for compulsory social health insurance payable to the fund are established in the following amounts:

- from January 1, 2020 - 1.4 percent from the object of calculating the state contributions;
- from January 1, 2021 - 1.6 percent from the object of calculating the state contributions;
- from January 1, 2022 - 1.7 percent from the object of calculating the state contributions;
- from January 1, 2023 - 1.8 percent from the object of calculating the state contributions;
- from January 1, 2024 - 1.9 percent from the object of calculating the state contributions;
- from January 1, 2025 - 2 percent from the object of calculating the state contributions;

from January 1, 2026 - at least 2, but not more than 3 percent from the object of calculating the state contributions. At that, the amount of state contributions is established annually for the corresponding financial year by the law on the republican budget.

3. Accounting object of state contributions shall be the average monthly salary preceding two years of the current financial year, determined by the authorized body in the field of state statistics.

4. Is excluded by the Law of the Republic of Kazakhstan dated 28.12.2018 No. 208-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Footnote. Article 26 as amended by Laws of the Republic of Kazakhstan dated 22.12.2016 No. 29-VI (shall be enforced from 01.01.2017); dated 30.06.2017 No. 80-VI (

shall be enforced upon expiry of ten calendar days after its first official publication); dated 25.12.2017 No. 122-VI (shall be enforced from 01.01.2018); dated 26.12.2018 No. 203-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2018 No. 208-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.04.2019 No. 243-VI (shall be enforced from 01.07.2019); dated 28.12.2018 No. 208-VI (the order of enforcement see Art. 2);

Article 27. Deductions to compulsory social medical insurance

1. Deductions of employers payable to the Fund shall be established in the amount of:
from July 1, 2017 - 1 percent of accounting object of deductions;
from January 1, 2018 - 1.5 percent of accounting object of deductions;
from January 1, 2020 - 2 percent of accounting object of deductions;
from January 1, 2022 - 3 percent of accounting object of deductions.

2. The object of calculation deductions shall be the expenses of the employer, paid to the employee, including state and civil servant, in the form of income calculated in accordance with Article 29 of this Law.

3. Employers shall exempt from the deductions payment for:

- 1) the persons specified in subparagraphs 1), 5), 7), 11), 12) and 13) of paragraph 1 of Article 26 of this Law;
- 2) military servants;
- 3) employees of special state bodies;
- 4) law enforcement officials.

Footnote. Article 27 as amended by Laws of the Republic of Kazakhstan dated 22.12.2016 No. 29-VI (shall be enforced from 01.01.2017); dated 30.06.2017 No.80-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 26.12.2018 No. 203-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 28. Contributions to compulsory social medical insurance

1. Contributions of employees, including state and civil servants as well as individuals receiving the income under civil-legal contracts payable to the Fund, shall be established in the amount of:

from January 1, 2020 - 1 percent from object of calculation contributions;
from January 1, 2021 - 2 percent from object of calculation contributions.

2. Is excluded by Law of the Republic of Kazakhstan dated 25.12.2017 No. 122-VI (shall be enforced from 01.01.2018).

3. Contributions of individual entrepreneurs, professionals with a private practice from January 1, 2020 shall be established at the rate of 5 percent from object of calculation contributions.

4. Contributions of independent payers shall be established from January 1, 2020 at the rate of 5 percent of object of calculation contributions.

Note of RCLI!

Paragraph 4-1 shall remain in force until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 No. 203-VI.

5. The object of calculation contributions of employees, including state and civil servants as well as individuals receiving incomes under civil-legal contracts shall be their income, calculated in accordance with Article 29 of this Law.

The object of calculation contributions of individual entrepreneurs, professionals with a private practice shall be 1.4 times the minimum wage established for relevant financial year by the Law on the republican budget, with the exception of the suspended submission of tax reporting in accordance with the tax legislation of the Republic of Kazakhstan, the professionals with a private practice and the suspended submission of tax reports, or declared inactive, in accordance with the tax legislation of the Republic of Kazakhstan of individual entrepreneurs.

6. The object of calculation contributions of independent payers including the suspended submission of tax reporting in accordance with the tax legislation of the Republic of Kazakhstan, professionals with a private practice and the suspended submission of tax reports , or declared inactive, in accordance with the tax legislation of the Republic of Kazakhstan, shall be the minimum wage established for relevant financial year by the Law on the republican budget.

7. Exempted from contributions payment to the Fund shall be:

- 1) the persons specified in paragraph 1 of Article 26 of this Law;
- 2) military servants;
- 3) employees of special state bodies;
- 4) law enforcement official.

Footnote. Article 28 is in the wording of the Law of the Republic of Kazakhstan dated 30.06.2017 No. 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by Laws of the Republic of Kazakhstan dated 25.12.2017 No. 122-VI (shall be enforced from 01.01.2018) ; dated 26.12.2018 No. 203-VI (order of enforcement see Article 2).

Article 29. Incomes accepted for accounting of deductions and (or) contributions

1. Employees incomes including state and civil servants accepted for calculation the deductions and contributions shall be income accrued by employers, with the exception of income specified in Paragraph 4 of this Article.

The incomes of the staff of diplomatic service, directed in accordance with the legislation of the Republic of Kazakhstan to work in a foreign institution of the Republic of Kazakhstan, during the stay in a foreign country in connection with execution of professional activity shall be income accrued by the employer in the Republic of Kazakhstan in national currency, except for incomes established by Paragraph 4 of this Article.

2. The incomes of an individual under civil-legal contracts shall be all accrued.

3. The monthly object accepted for calculation of deductions shall not exceed 10 times the minimum wage, established for relevant financial year by the Law on the republican budget.

Monthly income accepted for calculation of contributions shall be calculated on the amount of all types of income of an individual and shall not exceed 10 times the minimum wage established for relevant financial year by the Law on the republican budget.

When paying contributions from the amount of income equal to 10 times the minimum wage established for relevant financial year by the Law on the republican budget, payment of contributions from other incomes of an individual shall not be required in possession of a document confirming the payment of such contributions.

Such a document shall be a certificate of amounts of received incomes, calculated and paid contributions, issued by employer and (or) tax agent.

The requirements of this Paragraph shall not apply to individuals shall be:

1) independent payers;

Note of RCLI!

Subparagraph 2) shall remain in force until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 No. 203-VI.

2) payers of a single cumulative payment in accordance with Article 774 of the Code of the Republic of Kazakhstan "On taxes and other compulsory payments to the budget" (Tax Code).

4. Deductions and (or) contributions to the Fund shall not be withheld from the following payments and incomes:

1) incomes specified in paragraph 2 of Article 319 of the Code of the Republic of Kazakhstan "On taxes and other compulsory payments to the budget" (Tax Code);

2) incomes specified in paragraph 1 of Article 341 of the Code of the Republic of Kazakhstan "On taxes and other compulsory payments to the budget" (Tax Code), except for income specified in subparagraph 10), 12) and 13) of paragraph 1 of Article 341 of the Code of the Republic of Kazakhstan "On taxes and other compulsory payments to the budget" (Tax Code);

3) incomes specified in subparagraph 10) of Article 654 of the Code of the Republic of Kazakhstan "On taxes and other compulsory payments to the budget" (Tax Code);

4) payments at the expense of grants (except for payments in the form of remuneration of labour to employees and payment for work (services) to individuals under civil-legal contracts);

5) compensation payments in case of termination of an employment contract in cases of termination of an employer' activity - an individual or liquidation of an employer - a legal entity, reduction of number or staff in the amount established by the legislation of the Republic of Kazakhstan.

Footnote. Article 29 is in the wording of the Law of the Republic of Kazakhstan dated 30.06.2017 No. 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by Laws of the Republic of Kazakhstan dated 25.12.2017 No. 122-VI (shall be enforced from 01.01.2018) ; dated 26.12.2018 № 203-VI (order of enforcement see Article 2); dated 28.12.2018 No. 208-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Chapter 6. ACCOUNTING (WITHHOLDING) AND TRANSFERRING OF DEDUCTIONS AND (OR) CONTRIBUTIONS

Article 30. Accounting (withholding) and transferring of deductions and (or) contributions

1. Calculation (withholding) and transferring of deductions and (or) contributions of employees including state and civil servants shall carried out by employer on a monthly basis.

2. Accounting (withholding) or transferring of contributions of individuals who receive income under civil-legal contracts shall made monthly by tax agents with whom such contracts are concluded.

3. Calculation and payment of monthly contributions of individual entrepreneurs, professionals with a private practice shall carried out through banks or organizations carrying out certain types of banking operations for the subsequent transfer by the State Corporation to the Fund account.

3-1. Payment of contributions of independent payers to the Fund shall be made through banks or organizations carrying out certain types of banking operations for the subsequent transfer by the State Corporation to the Fund account.

The persons specified in Paragraph 3 of this Article and part one of this Paragraph shall have the right to make payment of contributions to the Fund for the forthcoming period.

3-2. Payment of contributions of the accompanying husband (accompanying wife) of staff of the diplomatic service of the Republic of Kazakhstan, sent in accordance with the legislation of the Republic of Kazakhstan to work in the foreign institution of the Republic of

Kazakhstan, can be made by withholding from salary of the staff of the diplomatic service in national currency for subsequent transfer to the Fund account through the State Corporation according to their statement.

4. By decision of a resident legal entity, its branches and representative offices may be considered as payers of deductions and (or) contributions.

5. Deductions and (or) contributions shall be paid in national currency of the Republic of Kazakhstan.

6. Accrued (withheld) deductions and (or) contributions shall transferred through banks or organizations carrying out certain types of banking operations for subsequent transfer by the State Corporation to the Fund account:

1) individual entrepreneurs and legal entities (except for persons specified in Subparagraphs 2) and 5) of this Paragraph), professionals with a private practice - no later than the 25 day of the month following the month of income payment;

2) individual entrepreneurs and legal entities (except for persons specified in Subparagraph 5) of this Paragraph), professionals with a private practice in own favor - monthly not later than the 25 day of the month following the reporting month;

3) is excluded by Law of the Republic of Kazakhstan dated 30.06.2017 No. 80-VI (shall be enforced from 01.01.2018);

4) is excluded by Law of the Republic of Kazakhstan dated 30.06.2017 No. 80-VI (shall be enforced from 01.01.2018);

5) individual entrepreneurs applying a special tax regime on the basis of a patent - within the period provided by the tax legislation of the Republic of Kazakhstan for the payment of a patent cost;

6) independent payers – not later than the 25 day of the month following the reporting month.

7. The payment day of deductions and (or) contributions made in non-cash form shall considered the day of acceptance receipt of a payment order for the amount of deductions and (or) contributions from a bank or organization that carries out certain types of banking operations carried out in cash – the day the payer makes deductions and (or) contributions to a bank or organization carrying out certain types of banking operations.

8. Control for completeness and timeliness of payment of deductions and (or) contributions, and (or) fees accrued in accordance with paragraph 1 of Article 31 of this Law, shall be exercised by state revenue authorities in accordance with the legislation of the Republic of Kazakhstan, except for the contributions payment by payers specified in subparagraphs 1), 9) and 10) of paragraph 2 of Article 14 of this Law.

Footnote. Article 30 as amended by the Laws of the Republic of Kazakhstan dated 30.06.2017 No. 80-VI (the order of enforcement see the Article 2); dated 26.12.2018 No. 203-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

dated 28.12.2018 No. 208-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 31. Responsibility of a payer for untimely transfer of deductions and (or) contributions

1. The timely not transferred amounts of deductions and (or) contributions shall be collected by the state revenue authorities and shall subject to be transferred by the payer to the Fund account with an accrued penalty in the amount of 1.25 times of official refinancing rate established by the National Bank of the Republic of Kazakhstan for each day of delay (including the day of payment to the Fund).

2. Not later than five working days from the date of debts on deductions and (or) contributions from the payer, assigned in accordance with the risk management system provided by the tax legislation of the Republic of Kazakhstan, to the category of high or medium risk, the state revenue authority shall send a notification of amount debts to the payer

The form of notification shall be approved by the authorized agency managing for receipt of taxes and other compulsory payments to the budget.

3. In the case of non-payment of debts of deductions and (or) contributions, the state revenues authority shall suspend expenditure transactions on bank accounts and cash desk of:
the payer classified in accordance with the risk management system provided by the tax legislation of the Republic of Kazakhstan to the category of high risk - upon expiration of one working day from the date of delivery of the notification to him/her;

the payer classified in accordance with the risk management system provided by the tax legislation of the Republic of Kazakhstan to the category of the medium risk level - upon expiration of ten working days from the date of delivery of the notification to him/her.

By order of the state revenue authorities, banks and organizations engaged in certain types of banking operations shall be obliged to suspend expenditure transactions on payers bank accounts and follow instructions regarding the transfer of compulsory pension contributions, compulsory professional pension contributions, social contributions, deductions and (or) contributions to the Fund of social medical insurance, tax debts and debts on customs payments, taxes and penalties in the manner determined by the legislation of the Republic of Kazakhstan.

The order of the state revenue authority on suspension of expenditure transactions on cash desk shall be unconditionally executed by the payer by transferring incoming cash to the Fund not later than one working day following the day their receipt.

The form of the order on suspension of expenditure transactions on cash desk of the payer shall be approved by the authorized agency managing for receipt of taxes and other compulsory payments to the budget.

4. The orders of the state revenue authority on suspension of expenditure transactions on bank accounts and cash desk of the payer shall be canceled by the state revenue authority that issued such orders not later than one working day following the day of repayment of debt of deductions and (or) contributions.

4-1. In case of non-payment of arrears in deductions and (or) contributions, the list of employees for whom deductions and (or) contributions are made is submitted to the state revenue body that sent the notification:

1) by a payer, classified as a high-risk category in accordance with the risk management system provided for by the tax legislation of the Republic of Kazakhstan - within five working days from the date of delivery of the notification;

2) by a payer, classified as a medium risk category in accordance with the risk management system provided for by the tax legislation of the Republic of Kazakhstan - within fifteen working days from the date of delivery of the notification.

5. On the basis of the list submitted by the payer in accordance with paragraph 4-1 of this article, the state revenue body collects the amounts of arrears on deductions and (or) contributions compulsorily from the payer's bank accounts no later than five working days from the date of receipt of the list.

Debt collection on deductions and (or) contributions from the bank accounts of payers is carried out on the basis of the collection order of the state revenue body with the attachment of the list provided by the payer.

If there is no or insufficient money in the bank account (accounts) to meet all the requirements for the client, the bank withdraws the client's money in the order of priority established by the Civil Code of the Republic of Kazakhstan.

In the absence of money in the payer's bank account in national currency, debt collection on deductions and (or) contributions is made from the payer's bank accounts in foreign currency on the basis of collection orders issued in national currency by the state revenue bodies.

6. Banks and organizations carrying out certain types of banking operations shall be obliged to transfer the amounts of deductions and (or) contributions to the Fund through the State Corporation on the day of writing off these amounts from the payers bank accounts.

7. State revenue authorities annually shall publish the lists of taxpayers in mass media having debts of deductions and (or) contributions that have not been repaid debt within more than six months from the date of its occurrence, indicating the taxpayer identification number, last name, first name and patronymic (if available in the identity document) the manager and the amount of debts on deductions and (or) contributions.

8. For the purposes of this Article, a payer shall be understood to be the payers of deductions, individual entrepreneurs, private notaries, private bailiffs, lawyers, professional mediators.

Footnote. Article 31 is in the wording of the Law of the Republic of Kazakhstan dated 25.12.2017 No. 122-VI (order of enforcement see Article 11); as amended by the Law of the Republic of Kazakhstan dated 26.12.2019 No. 287-VI (shall be enforced from 01.01.2020).

Article 32. Report on made deductions

1. The payer being an employer, in terms established by the tax legislation of the Republic of Kazakhstan, submits a declaration on individual income tax and social tax, which reflects information on accrued contributions and (or) contributions, unless otherwise provided by the legislation of the Republic of Kazakhstan.

2. The form of the declaration and the procedure for its preparation shall be established by the tax legislation of the Republic of Kazakhstan.

3. Employers shall be obliged to keep primary records of accounted (withheld) and transferred deductions and (or) contributions for each employee in accordance with the procedure determined by the authorized body.

4. The employer is obliged to provide the employee with information about the calculated (withheld) deductions and (or) contributions to the fund with a monthly notification of the components of the wages due to him for the relevant period.

Footnote. Article 32 as amended by the Law of the Republic of Kazakhstan dated 26.12.2019 No. 287-VI (shall be enforced from 01.01.2020).

Article 33. Return of overpaid (erroneously) paid deductions and (or) contributions to compulsory social medical insurance and (or) penalties for untimely and (or) incomplete payment of deductions and (or) contributions to compulsory social medical insurance

The amounts of overpaid (erroneously) paid deductions and (or) contributions and (or) penalties for untimely and (or) incomplete payment of deductions and (or) contributions by the payer shall be returned by the State Corporation in the manner determined by the authorized agency.

Footnote. Article 33 is in the wording of the Law of the Republic of Kazakhstan dated 28.12.2018 № 208-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Chapter 7. PROCUREMENT OF SERVICES FOR MEDICAL ASSISTANCE IN THE SYSTEM OF COMPULSIVE SOCIAL MEDICAL INSURANCE FROM HEALTH CARE ENTITIES

Article 34. The procurement procedure of services for medical assistance in the system of compulsive social medical insurance from health care entities

1. Procurement of services for medical assistance in the system of compulsive social medical insurance from health care entities shall be carried out by the Fund in the manner determined by the authorized body, on the basis of the principles:

1) balancing the incomes in the system of compulsory social medical insurance with the obligations for providing medical assistance;

2) ensuring the territorial availability of medical assistance in the system of compulsory social medical insurance;

3) equality of health care entities;

4) fair competition;

5) quality and efficiency of medical services.

2. The preferential right in procurement of services for provision of medical assistance in the system of compulsory social medical insurance have health care entities:

1) passed accreditation in the field of health care in accordance with the Code of the Republic of Kazakhstan "On public health and health care system";

2) having experience in providing relevant medical assistance on the territory of the Republic of Kazakhstan continuously for three years preceding the month in which the procurement of services shall be carried out.

3. Health care entities shall not be allowed to the procurement services for medical assistance in the system of compulsive social medical insurance if:

1) an official of the Fund (or his/her close relatives, husband (wife) or in law relations), having the right to make a decision, is their founder, participant or shareholder;

2) services procurement contract that concluded within the previous three years, was terminated unilaterally by the Fund due to non-performance, untimely or improper execution;

3) services procurement contract, concluded within the previous three years, was terminated unilaterally at the initiative of the health care entity;

4) financial and economic activities of health care entities suspended in accordance with the legislation of the Republic of Kazakhstan;

5) health care entities provided inaccurate data and (or) information containing false details about a legal entity activities.

4. The requirements of Paragraphs 1, 2 and 3 of this Article shall not apply to procurement of medicinal products, medical devices, pharmaceutical services, the order of which shall be determined by the Code of the Republic of Kazakhstan "On public health and health care system".

Footnote. Article 34 as amended by the Laws of the Republic of Kazakhstan dated 30.06.2017 No. 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2018 № 211-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 35. Services procurement contract

Medical assistance in the system of compulsory social medical insurance to consumers of medical services shall be provided on terms of the services procurement contract concluded on the basis of the results of conducted procurement of services in providing of medical assistance in the system of compulsory social medical insurance between the health care entities and the Fund in accordance with this Law.

Article 36. Payment for services of health care entities in providing medical assistance in the system of compulsory social medical insurance

1. Payment for services of health care entities in providing medical assistance in the system of compulsory social medical insurance shall be carried out at rates approved by the authorized body, on the basis of services delivery report and taking into account of:

- 1) monitoring results of contractual obligations on the quality and scope of medical services;
- 2) is excluded by the Law of the Republic of Kazakhstan dated 28.12.2018 No. 208-VI (shall be enforced upon expiry of ten calendar days after its first official publication);
- 3) exercise the right to choose a health care entity by citizens in the manner provided by Article 6 of this Law.

2. Payment for services of health care entities shall be carried out at the expense of the Fund assets on the basis of the terms of the services procurement contract.

3. Health care entities shall not have the right to demand from the Fund the reimbursement of their expenses not provided by the services procurement contract.

Footnote. Article 36 as amended by the Laws of the Republic of Kazakhstan dated 30.06.2017 No. 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2018 No. 208-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 37. The quality assurance of medical services in the system of compulsory social medical insurance

1. The quality of medical services in the system of compulsory social medical insurance shall be ensured by:

- 1) improvement of standards in the field of health care, clinical protocols and algorithms for the organization of medical assistance;
- 2) accreditation of medical organizations;
- 3) internal quality control of medical services;
- 4) extended education of medical employees;
- 5) state control in the field of providing medical services.

2. The quality assurance measures of medical services in providing medical assistance in the system of compulsory social medical insurance specified in paragraph 1 of this Article shall be established by the Code of the Republic of Kazakhstan "On public health and health care system".

Article 38. Grounds and procedure for termination of services procurement contract

1. Nonperformance, untimely or improper performance by health care entities of conditions of the services procurement contract shall be the grounds for its termination by the Fund unilaterally.

2. The grounds for termination of the services procurement contract shall be also:

1) nonperformance by health care entities of the requirements of paragraph 2 of Article 16 of this Law;

2) a material violation of the terms of the services procurement contract by health care entities;

3) other cases provided by the legislation of the Republic of Kazakhstan and the services procurement contract.

3. The termination of the services procurement contract in the cases provided by paragraph 2 of this Article shall be executed by sending an appropriate notification of termination of the contract.

4. In case of services procurement contract termination on the grounds provided by this Article, the procurement of services shall be carried out repeatedly for the non-performed (improper performed) scope of obligations under the contract.

Chapter 8. TRANSITIONAL AND FINAL PROVISIONS

Article 39. Responsibility for violation of the legislation of the Republic of Kazakhstan on compulsory social medical insurance

Violation of the legislation of the Republic of Kazakhstan on compulsory social medical insurance shall entail responsibility in accordance with the laws of the Republic of Kazakhstan.

Article 40. Transitional provisions

Establish that from January 1 to March 31, 2020 the right to medical assistance in the system of compulsory social medical insurance applies to all persons, including persons for whom no deductions and (or) contributions to the fund have been received.

Footnote .Article 40 is in the wording of the Law of the Republic of Kazakhstan dated 30.06.2017 No. 80-VI (shall be enforced upon expiry of ten calendar days after its first

official publication); as amended by the Laws of the Republic of Kazakhstan dated 25.12.2017 No. 122-VI (shall be enforced from 01.01.2018).

Article 41. The order for enforcement of this Law

1. This Law shall be enforced from March 1, 2016, with exception for:
paragraph 1 of the Article 5, which shall be enforced from March 31, 2020;
paragraphs 2–4 of the Article 5, of the Articles 6 and 7, which shall be enforced from March, 1 2020.

2. Establish, that part two of paragraph 3 of the Article 5 of this Law shall be in effect until December 31, 2020.

Footnote. Article 41 is in the wording of the Law of the Republic of Kazakhstan dated 30.06.2017 No. 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the Laws of the Republic of Kazakhstan dated 25.12.2017 No. 122-VI (shall be enforced from 01.01.2018).

*The President
of the Republic of Kazakhstan*

N. NAZARBAYEV