



## **On collection activity**

### ***Unofficial translation***

The Law of the Republic of Kazakhstan dated 6 May 2017 № 62-IV.

#### ***Unofficial translation***

This Law regulates public relations related to the implementation of collection activities, establishes the peculiarities of creating and acting of collection agencies, and also determines the specifics of state regulation of collection agencies, control over their activities.

## **Chapter 1. GENERAL PROVISIONS**

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

The following basic concepts are used in this Law:

1) a debt under the bank loan agreement or a microcredit agreement (hereinafter - debt) is the debtor's obligations to the creditor for payment of principal, remuneration, commissions, forfeits (fines, penalties) under a bank loan agreement or microcredit agreement;

2) a debtor is an individual or a legal entity that has committed a failure to perform or improper performance of obligations under a bank loan agreement or a microcredit agreement ;

3) accounting registration is an inclusion of a legal entity that intends to carry out collection activities into the register of collection agencies;

4) collection agency is a legal entity that is a commercial organization included in the register of collection agencies;

5) register of collection agencies is a single list of collection agencies of the authorized body in the field of collection activity;

6) collection activity is the activity of a collection agency aimed at pre-judicial collection and settlement of debts, as well as collection of information related to debt;

7) the authorized body in the field of debt collection activities (hereinafter referred to as the authorized body) - the state body for regulation, control and supervision of the financial market and financial organizations;

8) a creditor - a second-tier bank, a branch of a non-resident bank of the Republic of Kazakhstan, an organization carrying out certain types of banking operations or an organization engaged in microfinance activities, having the right of claim against a debtor in respect of the debt;

9) a service company – a subsidiary of the bank acquiring doubtful and hopeless assets of the parent bank, a collection agency that has rights (claims) under bank loan agreements and (

or) micro-credit agreements within the framework of a trust management agreement (hereinafter referred to as – trust management agreement), concluded with the person specified in part one of paragraph 4 of Article 36-1 of the Law of the Republic of Kazakhstan "On Banks and Banking Activities in the Republic of Kazakhstan" and (or) part one of paragraph 5 of Article 9-1 of the Law of the Republic of Kazakhstan "On Microfinance Activities", the powers of trust management of rights (claims) under bank loan agreements and (or) agreements on the provision of microcredit, including changes in the terms of the bank loan agreement and (or) the agreement on the provision of microcredit on representation of interests of a person, with whom a trust management agreement has been concluded, in the court, on receiving money and (or) other property from the debtor and other powers provided for by this Law, other laws of the Republic of Kazakhstan and the trust management agreement.

**Footnote. Article 1 as amended by the Law of the Republic of Kazakhstan dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020); No. 399-VI of 02.01.2021 (shall be enacted on 16.12.2020); dated 04.07.2022 No. 133-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).**

## **Article 2. Legislation of the Republic of Kazakhstan on collection activity**

1. Legislation of the Republic of Kazakhstan on collection activity is based on the Constitution of the Republic of Kazakhstan, consists of Civil Code of the Republic of Kazakhstan, this Law and other normative legal acts of the Republic of Kazakhstan.

2. The effect of the laws of the Republic of Kazakhstan "On business partnerships" and "On partnerships with limited and additional liability" extends to collection agencies in the part not regulated by this Law.

3. If an international agreement ratified by the Republic of Kazakhstan establishes other rules than those contained in this Law, the rules of the international treaty shall apply.

## **Chapter 2. CREATION AND ACTIVITY OF A COLLECTION AGENCY**

### **Article 3. Collection agency**

1. A collection agency is created in an organizational and legal form of economic partnership.

2. The name of a collection agency must contain the words "collection agency". Reduction of the name of the collection agency is not allowed.

The name of the collection agency should not contain the word “national” or “republican”, or “central” in full or abbreviated form in any language.

A legal entity that is not included in the register of collection agencies has no right to carry out collection activities, characterize itself as engaged in collection activities, and use in its name the words "collection agency", derived from them words that imply that it collects.

2-1. A collection agency should not be affiliated to another collection agency in accordance with Article 12-1 of the Law of the Republic of Kazakhstan “On Partnerships with Limited and Additional Liability”.

3. No person can directly or indirectly together with other person (persons) own or (and) use and (or) dispose of ten or more percent of shares in the authorized capital of the collection agency or have control if it:

1) did not disclose information about itself and individuals who directly or indirectly own and (or) use, and (or) dispose of more than twenty five percent of shares in the authorized capital or placed shares of the person named (excluding preferred and redeemed by the company) shares in the first paragraph of this paragraph, as well as on individuals exercising control over the mentioned person, an authorized body;

2) is an individual who has an unpaid or outstanding previous conviction;

3) is a legal entity, the founder (shareholder, participant) or a manager of which was previously the first director or founder (participant) of the collection agency in the period not more than one year before the decision of the authorized body to exclude this collection agency from the collection agencies list on the grounds provided for in subparagraphs 1), 2), 3), 4), 5), 6) and 7) of the first part of paragraph 1 of Article 9 of this Law;

4) has registration, place of residence, or location in offshore zones, the list of which is established by the authorized body.

4. The founders of a collection agency shall fully pay the minimum amount of the authorised capital of the collection agency to be established by the time of its state registration (re-registration).

The minimal amount of the authorised capital of a collection agency shall be established by a legal act of the authorised body.

The authorised capital of a collection agency shall be formed solely with money in the national currency of the Republic of Kazakhstan.

Notes.

1. Indirect ownership and (or) use, and (or) disposal of shares in the authorized capital or placed shares of a legal entity (excluding privileged and redeemed by the company) for the purposes of this Law shall mean the ability to determine the decisions of a legal entity, person or persons who jointly own and (or) use, and (or) manage ten or more percent of shares in the authorized capital of a legal entity, by owning (voting) stocks (shares in the authorized capital ) other legal entities.

2. Control of a legal entity (control) for the purposes of this Law means the ability to determine the decisions made by a legal entity.

**Footnote. Article 4 as amended by Law of the RK No. 43-VII of 24.05.2021 (shall take effect on 01.01.2022); dated 30.12.2022 No. 179-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).**

#### **Article 4. Grounds for the implementation of collection activity**

1. Collection activity is carried out on the basis of a contract, the subject of which is the provision of services to the creditor for pre-trial recovery and settlement of debts, as well as for collection of information related to the debt (hereinafter referred to as the debt collection agreement).

A collection agency shall be prohibited from concluding a debt collection agreement with creditors who are affiliated persons of a collector agency in accordance with paragraph 2 of Article 12-1 of the Law of the Republic of Kazakhstan “On Partnerships with Limited and Additional Liability”.

2. Collector activity is carried out in case of debt.

3. The agreement on collection of debts between the collection agency and the creditor shall be concluded in written and shall contain the following conditions:

- 1) the rights and obligations of the parties;
- 2) responsibility of the parties;
- 3) data of a debtor - an individual, allowing to identify his identity;
- 4) name, location, business identification number with respect to the legal entity;
- 5) amount of debt;
- 6) the debt structure (the amount of the principal debt, remuneration, commissions, forfeits (fines, penalties);
- 7) if there is information about the guarantor or warrantor under the bank loan agreement or the microcredit agreement;
- 8) if there is information on the subject of the pledge, if the right of pledge under a bank loan agreement or a microcredit agreement is subject to registration;
- 9) amount of remuneration under the contract;
- 10) the term of the contract;
- 11) the procedure and terms for notifying (informing) the creditor of the collection agency about payments made earlier by the debtor and (or) changing the amounts of the debt;
- 12) the procedure for providing information to the collection agency on the progress of the performance of the debt collection agreement;
- 13) the procedure and terms for termination of the contract for recovery of debts in the case provided for in the passage 4 of part 1, paragraph 5 of Article 9 of this Law, as well as the procedure and terms for the return of documents;
- 14) the procedure and conditions for the early termination of collection activities with respect to the debtor.

The debt collection agreement can be concluded in relation to one or more debtors with the transfer of the register (registers) of debtors in paper form or in electronic form, which (should) contain the information specified in part 1 of this paragraph.

The list of documents and information on the debtor related to the performance of the debt collection agreement, information on measures taken by the creditor regarding the debtor for the settlement of arrears stipulated by the laws of the Republic of Kazakhstan, are also attached to the debt collection agreement. The information is indicated for the period from the last date of default or improper performance of obligations under a bank loan agreement or a microcredit loan agreement before the transfer of the debt to the collection agency.

The term of rendering services on collection activities with respect to debt under a contract for the collection of arrears must be at least six months and not more than five years.

Early termination of collection activities with respect to the debtor is allowed in cases provided for by this Law or a contract for recovery of debts.

Debt transferred to the collection agency under the agreement on debt collection can not be transferred to another collection agency.

On issues not regulated by this Law, the provisions of the Civil Code of the Republic of Kazakhstan on commissioning and provision of paid services are applied to the contract on recovery of debts.

4. Is excluded by the Law of the Republic of Kazakhstan dated 02.07.2018 No. 168-VI (shall be enforced upon expiry of ten calendar days from the date of its first official publication).

Footnote. Article 4 as amended by the Law of the Republic of Kazakhstan dated 02.07.2018 No. 168-VI (shall be enforced upon expiry of ten calendar days from the date of its first official publication); dated 30.12.2022 No. 179-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

## **Article 5. Rules for the implementation of collection activity**

1. The collection agency shall have the right to interact with the debtor and (or) his/her representative, and (or) a third party bound by obligations with the creditor under the bank loan contract or a contract on providing a microcredit, by:

- 1) telephone calls from the collection agency's telephone numbers to contact debtors;
- 2) personal meetings;
- 3) written (post) messages sent to a debtor - an individual at the place of residence (legal address), to a debtor - a legal entity at the place of location (actual address);
- 4) text, voice and other messages by cellular communication;
- 5) via the Internet.

2. The interaction of a collection agency with a debtor and (or) his/her representative, and (or) a third person, related with obligations to a creditor under the bank loan agreement or microcredit agreement, should be carried out:

- 1) at each contact with a message on:  
the name of the collection agency and the number of registration in the register of collection agencies;

location of the collection agency;  
surname, name, patronymic (if it is indicated in the identity document) and the position of a person who interacts with the debtor;  
the name of a creditor;  
transfer of a debt to the collection agency by the creditor;  
the structure of a debt, the balance of overdue and current principal amounts, remuneration, commissions, forfeits (fines, penalties) stipulated in the bank loan agreement or microcredit agreement;  
responsibilities and other obligations of a debtor provided for in the bank loan agreement or microcredit agreement, laws of the Republic of Kazakhstan, as well as the consequences of non-fulfillment or improper performance of obligations stipulated in the bank loan agreement or microcredit agreement.

Other information that is not provided for in this subparagraph and which is not a commercial or other secret protected by the laws of the Republic of Kazakhstan shall be notified to a debtor only at his/her request;

2) during the period from 8.00a.m. to 21.00 p.m. on weekdays by the time of place of residence or location of a debtor or the place of registration of a debtor if the other period of interaction from the period of time specified by the collection agency within the time period specified in this subparagraph is not determined by a debtor at personal appeal to the collection agency;

3) no more than three times a week and no more than once in the period from 8.00a.m. to 21.00 p.m. on weekdays with personal contact on the initiative of a collection agency at the place of residence or location or place of registration of a debtor or in the premises of a collection agency (branch, representative office) at the place of its location;

4) no more than three times in the period from 8.00a.m. to 21.00 p.m. on weekdays by means of telephone negotiations initiated by a collection agency;

5) upon the request of the debtor, by providing a document confirming the amount of the debt and copies of documents confirming the authority of the collection agency to conduct collection activities in relation to the debt, except for information relating to commercial or other secrets protected by the laws of the Republic of Kazakhstan;

6) recording of the interaction by means of audio or video recording equipment;

7) ensuring the security of documents and information received from a creditor, a debtor and / or his/her representative, and (or) third parties, including bank secret, the secret of providing microcredit, commercial or other secrets protected by the laws of the Republic of Kazakhstan, personal data of a debtor and (or) his/her representative, and (or) third parties.

The requirements stipulated in subparagraphs 2), 3) and 4) of the first part of this paragraph shall not apply to the interaction of a collection agency with a debtor and / or his/her representative violating (breaching) obligations stipulated by paragraph 2 of Article 16 of this Law.

Note. For the purposes of this item, weekdays are days of the week from Monday to Friday, which are not weekend or holiday (national and state holidays).

3. In case of initial contact, a collection agency shall also inform a debtor-individual and / or his/her representative about their (his) right to apply to a collection agency with a written application containing information on the reasons for the arrears, incomes and other confirmed circumstances (facts) that stipulate their (his) petition for changing the terms of a bank loan agreement or microcredit agreement.

4. Interaction of a collection agency with a third party other than the person referred to in the first indent of paragraph 1 of this Article shall be allowed in order to establish the location and (or) contact details of the debtor if there is such a condition in the bank loan (microcredit) agreement concluded with the debtor.

When communicating with a third party referred to in part one of this paragraph, the collection agency shall provide the following information:

the name of the collection agency;

the first name, surname, patronymic (if it is specified in the identity document) and position of the collection agency's employee;

the debtor's surname, first name, patronymic (if it appears on the identity document).

The interaction of a collection agency with an individual specified in part one of this paragraph shall be carried out subject to the requirements specified in subparagraphs 2), 3), 4), 6) and 7) of the first part of paragraph 2 of this article, and also if this person does not express disagreement on the interaction with a collection agency, including orally.

5. When interacting with a debtor and (or) his/her representative and (or) a third person, a collection agency is prohibited from carrying out the following unfair actions:

1) to use other methods of interaction with a debtor and (or) his/her representative, and (or) a third person, not provided for by paragraph 1 of this article;

2) is excluded by the Law of the Republic of Kazakhstan dated 02.07.2018 № 168-VI (shall be enforced upon expiry of ten calendar days from the date of its first official publication);

3) to disseminate information discrediting honor, dignity and business reputation of a person a collection agency interacts with, or disclose information that may cause property damage to the interests of these persons;

4) to commit illegal acts that infringe upon the rights and freedom of a person whom a collection agency interacts with, threatening their lives and health, and also entailing the infliction of property and other harm to that person;

5) to exert pressure by threatening to use violence or destroying or damaging the property of a debtor and / or his/her representative and (or) third parties, insulting, fraudulent, forgery of documents, blackmail, forcing a debtor to fulfill obligations under the bank loan agreement or the contract for providing microcredit;



6) to introduce a person whom a collection agency interacts in error regarding the size, nature and grounds for the occurrence of indebtedness;

6-1) to report inaccurate surname and (or) name, and (or) patronymic (if it is indicated in the identification document), and (or) information about the place of work and (or) position of the employee of the collection agency;

7) accept money (in cash or non-cash form), as well as other property to repay the debt;

8) demand repayment of the debt with other property, other than money;

9) disclose a commercial or other secret protected by the laws of the Republic of Kazakhstan received from a creditor and (or) his/her representative and (or) third parties, with the exception of cases provided for by the laws of the Republic of Kazakhstan.

6. In the event of a violation of the provisions hereof, the collection agency shall take measures, either independently or upon the request of the authorised agency, to terminate the authority of the employee to interact with the persons referred to in the first part of paragraph 1 and part one of paragraph 4 hereof, as well as provide information to the authorised agency within three working days.

7. The requirements of paragraphs 1, 2, 4, subparagraphs 1), 2), 3), 4), 5), 6) and 9) of paragraph 5 and paragraph 6 of this article apply to a collection agency when exercising its creditor rights arising as a result of the assignment of a right (claim) under a bank loan agreement or a microcredit contract.

8. Requirements of paragraphs 1, 2, 4, subparagraphs 1), 3), 4), 5), 6), and 9) of paragraph 5 and paragraph 6 of this Article shall apply to service companies.

9. Requirements of paragraph 1, rubrics four and five of subparagraph 1), subparagraphs 2), 3), 4) and 6) of paragraph 2, subparagraphs 4) and 5) of paragraph 5 of this Article shall apply to the employees of the collection agency when representing the interests of the creditor under the bank loan agreement or agreement on the provision of microcredit.

10. When carrying out collection activities, the collection agency shall be prohibited from concluding agreements providing for cooperation with private bailiffs.

**Footnote. Article 5 as amended by the Law of the Republic of Kazakhstan dated 02.07.2018 No. 168-VI (shall be enforced upon expiry of ten calendar days from the date of its first official publication); No. 43-VII of 24.05.2021 (see Art. 2 for the enactment procedure); dated 04.07.2022 No. 133-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication); dated 30.12.2022 No. 179-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).**

## **Article 6. Peculiarities of pre-judicial settlement of debt**

1. In order to realize the right provided for in paragraph 3 of Article 5 of this Law, a debtor - an individual and (or) his/her representative shall apply to a collection agency with a written application for terms change of a bank loan agreement or microcredit agreement within 30 calendar days after the date of their (his) notification by a collection agency. The



written application disclose information on the reasons for the occurrence of debts, other confirmed facts (facts), which determine its request for the terms change of a bank loan agreement or microcredit agreement, as well as reliable information about education, income and expenditure level, family members, place of residence, availability of property, other information necessary for a creditor to consider a written application and determine the sufficiency of a debtor's own resources to perform the obligations under a bank loan agreement or a microcredit contract.

2. A collection agency, within ten calendar days after the day of receipt of a written application, shall send it to the creditor.

3. A creditor, within fifteen calendar days after the day of receipt of a written application of a debtor, shall consider the proposed conditions for changing the bank loan contract or the microcredit agreement and inform the collection agency in written form about:

1) agreement with the proposed changes to a bank loan agreement or microcredit agreement;

2) its proposals for changing the terms of a bank loan agreement or microcredit agreement ;

3) refusal to change the terms of a bank loan agreement or microcredit agreement, indicating a reasoned justification for such a refusal.

4. The collection agency, within ten calendar days after receiving the decision taken by a creditor, shall inform a debtor about it.

5. During the period of collection activities with respect to the debtor, a creditor is not entitled:

to claim to the court to recover his debts;

to demand payment of remuneration, commissions and other payments related to the issuance and maintenance of a loan or a micro credit for the period when the debt is in work in a debt collection agency, as well as charge a forfeit (fine, penalty) for late repayment of the principal debt and remuneration during the specified period.

6. The actions (inaction) of a creditor or a collection agency on the issue of pre-judicial settlement of a debt provided for in this article may be appealed by a debtor and (or) his/her representative to the authorized body.

**Footnote. Article 6 as amended by the Law of the Republic of Kazakhstan dated 02.07.2018 No. 168-VI (shall be enforced upon expiry of ten calendar days from the date of its first official publication); dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020 ).**

## **Article 7. Registration of a legal entity that intends to carry out collection activity**

1. A legal entity that intends to carry out collection activities shall be subject to registration within three months from the date of its state registration (re-registration) in the State Corporation "Government for citizens".

2. For the passage of registration, a legal entity that intends to carry out collection activities shall submit to the authorized body:

1) a statement, taking into account information about the founders (participants), about executives as of the date preceding the date of submission of the application, as well as about an agreement on provision of information concluded with a credit bureau with the state participation in accordance with the Law of the Republic of Kazakhstan "On credit bureaus and formation of credit records in the Republic of Kazakhstan";

2) is excluded by the Law of the Republic of Kazakhstan dated 25.11.2019 No. 272-VI ( shall be enforced upon expiry of ten calendar days after the day of its first official publication );

3) is excluded by the Law of the Republic of Kazakhstan dated 25.11.2019 No. 272-VI ( shall be enforced upon expiry of ten calendar days after the day of its first official publication );

4) is excluded by the Law of the Republic of Kazakhstan dated 25.11.2019 No. 272-VI ( shall be enforced upon expiry of ten calendar days after the day of its first official publication );

5) information about employees who will interact with debtors and (or) their representatives, and (or) third parties bound by obligations with the creditor under a bank loan agreement or a microcredit agreement;

6) information on branches and (or) representative offices;

7) details of the collection agency's telephone numbers for contacting debtors.

3. The documents specified in paragraph 2 of this Article shall be submitted by a legal entity with the intention to carry out collection activities in electronic form in accordance with the rules for passing the accounting registration and maintaining the register of collection agencies approved by the authorized body.

4. The authorized body shall check the completeness of the submitted documents within two working days from the receipt of documents for the passage of registration.

In case that a legal entity that intends to carry out collection activities has an incomplete set of documents, the authorized body shall give a reasoned refusal in written form to further consideration of an application in the terms specified in part one of this paragraph.

5. The authorized body shall consider an application for the passage of registration within fifteen working days from the date of submission of the full package of documents.

6. Within the period established by paragraph 5 of this article, the authorized body is obliged to enter a legal entity that intends to carry out collection activities in the register of collection agencies and notify him of this decision and registration number or give a reasoned response in written form on the reasons for the refusal of an account registration.

7. The register of collection agencies that have passed the registration is placed on the Internet resource of the authorized body.

Footnote. Article 7 as amended by the Law of the Republic of Kazakhstan dated 02.07.2018 No. 168-VI (shall be enforced upon expiry of ten calendar days from the date of its first official publication); 02.04.2019 No. 241-VI (shall be enforced from 01.07.2019); dated 25.11.2019 No. 272-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); No. 43-VII of 24.05.2021 (shall come into force ten calendar days after the date of its first official publication); dated 14.07.2022 No. 141-VII ( shall be enforced upon expiry of ten calendar days after the day of its first official publication ).

## **Article 8. Reasons for refusal in the registration of a legal entity that intends to carry out collection activities**

1. The refusal to register a legal entity that intends to carry out collection activities shall be given in the following cases:

1) providing false data and information subject to disclosure in the documents specified in paragraph 2 of Article 7 of this Law;

2) inconsistencies between employees of a legal entity that intends to carry out collection activities to the requirements provided for in paragraphs 2 and 3 of Article 12 of this Law;

3) inconsistencies of a person, who alone or jointly with another (other) person (s) directly or indirectly owning and (or) using, and (or) managing ten or more percent of shares in the authorized capital of a legal entity intending to carry out collection activities; having the control, to the requirements stipulated by paragraph 3 of Article 3 of this Law;

4) appeals after expiration of three months from the date of state registration ( re-registration) in the State Corporation “Government for citizens” to the authorized body with an application for registration;

5) non-compliance with the requirement established by paragraph 1 of Article 21 of this Law.

2. In case of refusal to register by the reasons provided for in subparagraphs 1), 2) and 3) of paragraph 1 of this article, a legal entity that intends to carry out collection activities within thirty working days after the day of receipt of the refusal on registration has the right to re-submit documents in accordance with paragraph 2 of Article 7 of this Law or is obliged to conduct the procedure of re-registration by deleting from its name the words "collection agency", derived words from them, suggesting that it performs collection activity.

If a legal entity that intends to carry out collection activities receives refusal for registration on the reasons provided for in subparagraphs 4) and 5) of paragraph 1 of this article, such a legal entity is obliged to conduct the procedure of re-registration by deleting from its name the words "collection agency", derivatives from these words, suggesting that it performs collection activities.

If a legal entity fails to perform the actions specified in parts one and two of this paragraph, it is subject to compulsory liquidation in accordance with the procedure established by the laws of the Republic of Kazakhstan.

**Footnote. Article 8 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 No. 241-VI (shall be enforced from 01.07.2019).**

#### **Article 9. Reasons for excluding a collection agency from the register of collection agencies**

1. The collection agency is excluded from the register of collection agencies in the following cases:

1) the commission of one of the unscrupulous actions provided for by subparagraphs 3), 4), 5), 6-1), 7), and 8) of paragraph 5 of Article 5 of this Law, three or more times within twelve consecutive calendar months;

1-1) identification of inaccurate data and information in the documents submitted for accounting registration;

1-2) non-compliance with the requirements for the minimum size of the authorized capital established by the regulatory legal act of the authorized body;

2) repeated (two or more times within twelve consecutive calendar months) failure to submit or late submission of reports within the prescribed period, the submission of which is required in accordance with the regulatory legal acts of the National Bank of the Republic of Kazakhstan;

3) failure to provide, untimely provision with information the authorized body by a collection agency in accordance with the legislation of the Republic of Kazakhstan on collection activities or providing the authorized body with the information that does not contain information required to be submitted in accordance with the legislation of the Republic of Kazakhstan on collection activities, or any other requested information, or provision of inaccurate information, committed by a collection agency for more than three times during the twelve consecutive calendar months;

4) non-fulfillment, untimely performance of obligations by a collection agency assumed by it and (or) assigned to it by an authorized body through the application of limited measures of influence committed by a collection agency more than three times during the twelve consecutive calendar months;

5) non-fulfilment of collection activities within twelve consecutive calendar months;

6) entry into legal force of the court decision on termination of the collection agency;

7) obstruction to conduct verification three or more times during the last twelve calendar months by a collection agency;

8) collection agency's decision to voluntarily stop collection activities.

In case provided for in subparagraph 8) of the first part of this paragraph, a letter on confirmation of fulfillment of all obligations, as well as an absence of previously acquired

rights (claims) on the balance sheet, is attached to the application of a collection agency on exclusion from the register of collection agencies.

2. In case of exclusion from the register of collection agencies, the authorized body shall notify the collection agency in written form within seven calendar days from the date of exclusion.

The notification is sent to the address indicated in the application for registration or in the written notification of the change in the location of a collection agency.

3. The decision of the authorised body to exclude a collection agency from the register of collection agencies may be appealed against in the manner prescribed by the laws of the Republic of Kazakhstan.

An appeal against the decision of the authorised body to exclude a collection agency from the register of collection agencies shall not suspend the execution of the decision.

4. The collection agency is prohibited to make new contracts for collection of debts and (or) contracts containing the conditions for the transfer of rights (claims) under bank loan agreements or microcredit contracts to the collection agency (hereinafter referred to as the assignment contract) from the moment of receiving notification from an authorized body on its exclusion from the register of collection agencies.

5. The collection agency within thirty calendar days after the day of receipt of notification of an authorized body on exclusion of it from the register of collection agencies or adoption by a collection agency of decision on voluntary termination of collection activity is obliged:

to carry out the procedure of re-registration by deleting from its name the words "collection agency", derived words from them, suggesting that it performs collection activities;

to transfer to the creditor all information and documents on the debt that was transferred to a collection agency on the basis of the debt collection agreement, as of the date of receipt of notification on exclusion of it from the register of collection agencies from an authorized body or the collection agency's decision to voluntarily stop collection activities;

to transfer to the person to whom the rights (claims) have been assigned under the bank loan agreement and (or) the microcredit agreement, or at his/her instruction to the service company with which such a person has concluded a new trust management agreement, all information and documents on the rights (claims) under bank loan agreements and (or) microcredit agreements transferred to a collection agency on the basis of a trust management agreement, as of the date of receipt of the notification of the authorized body on its exclusion from the register of collection agencies or adoption of a decision on voluntary termination of collection activities by the collection agency;

to terminate all concluded debt collection agreements and (or) trust management agreements.

The creditor is obliged to ensure the receipt of information and documents on debts, which was transferred to a collection agency on the basis of an agreement on collection of

debts, and to take measures to terminate previously concluded agreements with a collection agency on collection of debts.

A person to whom rights (claims) have been assigned under a bank loan agreement and (or) a microcredit agreement, or a service company with which such a person has concluded a new trust management agreement, must ensure the receipt of information and documents in the case provided for in paragraph four of part one of this paragraph.

In case of failure to perform the actions specified in part one of this paragraph, a collection agency shall be subject to compulsory liquidation in accordance with the procedure established by the laws of the Republic of Kazakhstan.

6. The collection agency is obliged to notify about it within five calendar days from the date of receipt of notification from an authorized body about its exclusion from the register of collection agencies:

creditors with whom agreements on collection of debts were concluded;

persons with whom trust management agreements have been concluded, by the methods provided for in the trust management agreement;

debtors whose debts were transferred to a collection agency on the basis of a contract for collection of debts, in the ways provided for in paragraph 1 of Article 5 of this Law.

debtors, rights (claims) under bank loan agreements or agreements on the provision of microcredit to whom were transferred on the basis of trust management agreements, by the methods provided for in paragraph 1 of Article 5 of this Law.

**Footnote. Article 9 as amended by the Law of the Republic of Kazakhstan dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020); No. 351-VI of 29.06.2020 (shall take effect on 01.07.2021); dated 04.07.2022 No. 133-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication); dated 30.12.2022 No. 179-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).**

#### **Article 10. The order of documentation maintenance by a collection agency**

1. The collection agency shall register in the registration journal of contracts all debt collection agreements, contracts of assignment of rights (claims), trust management agreements and keep records of documents accepted from creditors:

1) agreements on debt collection;

2) contracts of assignment the right of claim, as well as documents attached to (if any);

2-1) trust management agreements;

3) documents for pledge (in case the main obligation is secured by a pledge);

4) contracts of guarantee and warranty (in case the main obligation is secured by a guarantee or warranty);

5) calculation of debtor's debt on the date of assignment of rights (claims);



6) documents containing information on measures taken by a creditor against the debtor to settle arrears stipulated by the laws of the Republic of Kazakhstan. The information is indicated for the period from the last date of default or improper performance of obligations under a bank loan agreement or a microcredit loan agreement before the transfer of a debt to a collection agency;

7) copies of constituent documents of a debtor (for legal entities);

8) copies of the identity document of a debtor (for individuals);

9) documents (or their copies) confirming a debtor's repayment of debts;

10) documents on a mortgaged property sale;

11) other documents, the transfer of which is provided for by the debt collection agreement, the assignment agreement of the right (claim), the trust management agreement.

2. The maintenance of the register journal of contracts is carried out on paper or in electronic form.

**Footnote. Article 10 as amended by the Law of the Republic of Kazakhstan dated 04.07.2022 No. 133-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).**

## **Article 11. Secret of collection activities**

1. The secret of a collection activity includes any information about a debtor, a creditor, debt, third parties related to the obligations with the creditor under a bank loan agreement or a microcredit agreement, the terms of the concluded debt collection agreements and other information received and (or ) compiled by a collection agency when carrying out collection activities.

2. The secret of collection activities with respect to a debtor can be disclosed only to a debtor, to the third person on the basis of written consent of a debtor, including the one given when signing a bank loan agreement for disclosure of a bank secret or microcredit contract for disclosing the secrecy of granting a microcredit, specified in paragraphs 3, 4 and 5 of this article.

3. Information on a debtor, a creditor, a debt, the third parties, bound obligations with a creditor under the bank loan agreement or microcredit agreement, on the terms of concluded debt collection agreements and other information received and (or) compiled by a collection agency when implementing collection activities are issued to:

1) state bodies and officials carrying out criminal prosecution functions: on criminal cases in their proceeding on the basis of a written request, sealed and authorized by the prosecutor;

2) the courts: on the cases in their proceedings on the basis of determining, regulating, decision and sentence of the court;

3) to state and private bailiffs: on the cases of enforcement proceedings which are in their production on the basis of the resolution of the bailiff, sanctioned by the Prosecutor, certified by the seal of the body of justice or by the seal of a private bailiff;



4) to the prosecutor: on the basis of a resolution on the conduct of an audit within his competence on the material under his consideration;

5) to state revenue bodies: on issues related to taxation of the inspected person, on the basis of prescription;

6) representatives of the debtor: on the basis of a notarized power of attorney;

7) the authorized body in the field of rehabilitation and bankruptcy: in respect of a person for whom there is a legally effective court decision on bankruptcy, for a period of five years before the institution of bankruptcy and (or) rehabilitation with the sanction of the prosecutor;

8) the authorized body: on issues related to the implementation of state control over the activities of collection agencies;

9) the authorized body in the field of state administration for the restoration of solvency and bankruptcy of citizens of the Republic of Kazakhstan: on the basis of a request for a citizen who has submitted an application for applying the procedures provided for by the Law of the Republic of Kazakhstan "On the restoration of solvency and bankruptcy of citizens of the Republic of Kazakhstan", for a period of three years prior to submitting such a request;

10) the financial manager: on the basis of a request against a citizen for whom a case has been initiated on the application of the procedure for restoring solvency or judicial bankruptcy with the sanction of the prosecutor. In order to confirm the powers, a court ruling on the initiation of a case on the application of the procedure shall be attached to the request.

4. Information on a debtor, a creditor, the third parties, bound obligations with the creditor under the bank loan agreement or microcredit agreement, debt, on the terms of concluded debt collection agreements and other information received and (or) compiled by a collection agency when implementing the collection activities in relation to a debtor, in addition to the persons provided for in paragraph 3 of this article, are also issued on the basis of a written request:

1) to persons indicated by a debtor in the will;

2) to notaries: for inheritance cases in their proceedings on the basis of a notary's request;

3) to foreign consular institutions: according to the hereditary cases in their production.

5. The following is not the disclosure of the secrets of debt collection activities:

1) provision by debt collection agencies of information to credit bureaus in accordance with the Law of the Republic of Kazakhstan "On credit bureaus and formation of credit records in the Republic of Kazakhstan" and provision by credit bureaus of information about the debtor in terms of debt;

2) exchange of information, including information constituting a secret of debt collection activity, between the National Bank of the Republic of Kazakhstan and the authorized body;

3) submission by an official of a state body or a person performing managerial functions in an organization, of the documents and information containing the secrecy of debt collection activities, as supporting documents and materials when sending a notification of a criminal offence to the criminal prosecution body.

The secrecy of debt collection activities may be disclosed to the banking ombudsman on the basis of appeals from individuals pending to resolve disagreements arising from a bank loan agreement or a microcredit agreement, the obligations under which were assigned to a person specified in paragraphs 3 and 4 of Article 36-1 of the Law of the Republic of Kazakhstan "On banks and banking activity in the Republic of Kazakhstan" or in paragraphs 4 and 5 of Article 9-1 of the Law of the Republic of Kazakhstan "On microfinance activity".

6. For the disclosure or illegal use of information constituting a secret protected by the laws of the Republic of Kazakhstan, collection agencies, as well as other persons who have access to this information on the basis of this Law and other laws of the Republic of Kazakhstan, bear the responsibility established by the laws of the Republic of Kazakhstan.

**Footnote. Article 11 as amended by the Law of the Republic of Kazakhstan dated 21.01.2019 № 217-VI (shall be enforced upon expiry of three months from the date of its first official publication); dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020); dated 14.07.2022 No. 141-VII (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 30.12.2022 No. 179-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).**

## **Article 12. Requirements for employees of a collection agency**

1. The first head and members of the executive body (collegial and (or) sole executive body), the first head and members of the supervisory board (if any), the chief accountant are recognized as the management employees of a collection agency.

2. The managing employee of a collection agency can not be an individual:

1) who does not have the citizenship of the Republic of Kazakhstan;

2) who does not have higher education;

3) who has an unexpunged or unpaid conviction or who is being or has been subjected to criminal prosecution (with the exception of persons whose criminal prosecution was terminated on the basis of subparagraphs 1) and 2) of the first part of Article 35 of the Criminal Procedure Code of the Republic of Kazakhstan) for criminal offenses against the person, family and minors, constitutional and other rights and freedoms of man and citizen, the foundations of constitutional order and the state security, property, public security and public order, public health and morality, peace and security of mankind, the interests of service in commercial and other organizations, the interests of public service and public administration, justice and sentences enforcement, management procedures, in the areas of economic activity, information and communications , as well as military criminal offenses;

4) who has no work experience in the fields of financial, insurance, education, state administration and defense, compulsory social security, in the field of law, and accounting, as well as the activities of agencies for the collection of payments and credit bureaus defined in

accordance with the general classifier of the types of economic activities approved by the authorized body in the field of technical regulation (the corresponding work experience should be at least one year by the date of employment);

5) who was previously a senior employee or a person who owns ten or more percent of the shares in the authorized capital of the collection agency, for a period not more than three years prior to the adoption by the authorized body of a decision to exclude the collection agency from the register of collection agencies on the grounds provided for in sub-paragraphs 1), 2), 3), 4), 5), 6) and 7) of part one of paragraph 1 of Article 9 of this Law;

6) in respect of whom the court decision on the application of criminal punishment entered into legal force in the form of deprivation of the right to hold the position of a manager of a financial organization, a banking and (or) insurance holding, and to be a major participant (major shareholder) of a financial organization for life;

7) who was previously a manager, a member of management body, a leader, a member of executive body, the chief accountant of a financial organization, a major participant - an individual, the head of a large participant, a bank and / or insurance holding - a legal entity of a financial organization in a period of not more than one year before the decision of the authorized body on the preservation of a financial institution or the compulsory redemption of its shares, deprivation of the license of a financial organization that caused its liquidation and / or termination of activities in the financial market, or the entry into legal force of a court decision on compulsory liquidation of a financial organization or its recognition as bankrupt in accordance with the procedure established by the legislation of the Republic of Kazakhstan

The specified requirement is applied within five years after the decision of the authorized body on the preservation of financial organization or the compulsory redemption of its shares, the deprivation of the license of financial organization that caused its liquidation and (or) the termination of activities in the financial market, or the entry into legal force of the court decision on forced liquidation of a financial organization or its recognition as a bankrupt in accordance with the procedure established by the legislation of the Republic of Kazakhstan;

8) who was previously a manager, a member of management body, a manager, a member of executive body, the chief accountant of a financial organization, a major participant (major shareholder) - an individual, a leader, a member of the management body, a leader, a member of the executive body, the chief accountant of a large participant (major shareholder) - an issuer legal entity that defaulted on the payment of coupon interest on issued emissive securities for four or more consecutive periods or amount of debt of which for payment of coupon interest on issued equity securities, for which was the default, is fourfold and (or) more than the size of the coupon interest, or the default amount for repayment of the principal debt on issued equity securities is ten thousand times higher than the monthly calculated

index established by the law on the republican budget at the date of payment. The specified requirement is applied within five years from the moment of occurrence of the circumstances provided by this subparagraph;

9) who is registered in the psychoneurological, tuberculosis, narcological dispensaries;

10) who was dismissed from the civil service or from special and law enforcement agencies for negative reasons, if three years have not passed since the dismissal;

11) who performed state control functions in the form of inspections of activities of this collection agency or related to the activities of this collection agency in accordance with its competence earlier by virtue of its official powers. The specified requirement is applied within one year after the termination of public service by the person;

12) who was dismissed from the collection agency for violation of requirements provided for in Article 5 of this Law;

13) brought to administrative responsibility for corruption offenses.

2-1. A senior employee, an employee of a collection agency interacting with a debtor and (or) his/her representative, and (or) a third party, shall be prohibited from simultaneously being in labor and other relations with another collection agency.

3. Employees of the collection agency who do not meet the requirements provided for in sub-paragraphs 1), 3), 5), 9), 10), 11), 12) and 13) of part 2 of this Article, as well as those who do not have technical and vocational, post-secondary or higher education shall not be allowed to interact with the debtor and (or) his/her representative, and (or) a third party bound by obligations with the creditor under a bank loan agreement or a microcredit agreement.

Technical and vocational, post-secondary or higher education requirements shall not apply to employees of the collection agency who interact with the debtor and/or his/her representative and/or third parties by means of telephone conversations.

**Footnote. Article 12 as amended by Law of the RK No. 43-VII of 24.05.2021 (shall be enacted ten calendar days after its first official publication); dated 30.12.2022 No. 179-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).**

### **Article 13. Storage of documents**

The list of the main documents of a collection agency subject to storage, and the terms of their storage are determined by the authorized body.

## **Chapter 3. RIGHTS AND RESPONSIBILITIES OF A COLLECTION AGENCY, A DEBTOR AND (OR) HIS/HER REPRESENTATIVE**

### **Article 14. Collection agency rights**

A collection agency has the right:

1) to carry out debt collection activities on the basis of a debt collection agreement concluded with the creditor and in accordance with the requirements of this Law, the Laws of the Republic of Kazakhstan "On banks and banking activity in the Republic of Kazakhstan" and "On microfinance activity";

2) to collect information related to a debt, including obtaining documents (originals and copies), explanations and information from a creditor under the concluded debt collection agreements;

3) to foreclose in court, unless otherwise provided by the laws of the Republic of Kazakhstan or the contract, to the pledged property that is secured by a bank loan agreement or a microcredit contract, the right (requirement) for which a collection agency purchased from a creditor;

4) to refuse to implement the contract on recovery of debts in cases where the creditor violated the terms of a debt collection agreement, failed to provide documents (originals and copies), information about a debtor and his debts, submitted false data;

5) to conclude a contract of assignment of the right of claim with a creditor under a bank loan agreement or a microcredit contract for which there is a delay in the performance of an obligation over ninety consecutive calendar days for a mortgage loan issued to an individual - over one hundred and eighty consecutive calendar days.

6) to act as a representative of a creditor in the court and in the enforcement proceedings, subject to the appropriate authority;

7) to request from the third parties information on a debtor previously provided by a debtor when concluding a bank loan agreement or a microcredit agreement, as well as information necessary for the performance of obligations by a debtor under the specified contracts, including those that make commercial secrets;

7-1) to act as a service company under the trust management agreement.

A collection agency under the trust management agreement shall have the right:

by agreement of the parties, to change the terms of the bank loan agreement or on the provision of a microcredit agreement within the framework of the powers granted by the person with whom the trust management agreement was concluded. Changing the terms of a bank loan agreement and (or) an agreement on the provision of microcredit shall unilaterally be allowed in cases of their improvement for the borrower in accordance with part two of paragraph 3 of Article 34 of the Law of the Republic of Kazakhstan "On Banks and Banking Activities in the Republic of Kazakhstan" and part two of paragraph 6 of Article 3 of the Law of the Republic of Kazakhstan "On Microfinance Activities";

to represent the interests of the person with whom the trust management agreement has been concluded in the court, including in the process of collecting debt and (or) foreclosure on the subject of a pledge;

to accept from the debtor, in the interests of the person with whom the trust management agreement has been concluded, money in non-cash form and (or) other property to repay the debt, followed by the transfer of such money and (or) such property in his/her favor;  
use the services of appraisers, auditors, lawyers, and other consultants.

Remuneration to the collection agency acting as a service company, as well as expenses related to trust management, shall be paid (reimbursed) in accordance with the terms of the trust management agreement by the person who acquired the rights (claims) under the bank loan agreements and (or) agreements on the provision of microcredits;

8) to exercise other rights established by this Law, other laws of the Republic of Kazakhstan, the debt collection agreement and (or) the assignment agreement of the right (claim), and (or) the trust management agreement.

**Footnote. Article 14 as amended by the Law of the Republic of Kazakhstan dated 02.07.2018 No. 168-VI (shall be enforced upon expiry of ten calendar days from the date of its first official publication); dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020); dated 04.07.2022 No. 133-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).**

## **Article 15. Obligations of a collection agency**

1. The collection agency is obliged:

1) to inform a creditor about the affiliation with a debtor, the reasons for such affiliation, as well as other circumstances that affect or may affect the performance of contractual obligations by the collection agency and / or may lead to a contradiction between the personal the interest of the collection agency and the legitimate interests of a creditor or to infringe upon the legitimate interests of a creditor, including as a result of direct or indirect interest of the collection agency in a debtor's failure to fulfill his/her obligations to a creditor within two working days;

2) to notify the authorized body in written form and place the relevant information on its Internet resource in Kazakh and Russian languages within a period not later than three calendar days from the date of such changes in cases of changing the location or name,

2-1) if the telephone numbers of the collection agency for contacting debtors are changed, to notify the authorised body within three calendar days from the date of such changes;

3) to keep a secret of collection activities;

4) to provide free of charge in written form information on the balance of overdue and current amounts of the principal debt, remuneration, forfeit (fine, penalty) acquired rights (requirements) no more than once a month, upon the request of a debtor and (or) his/her representative within ten working days from the date of receipt of the request,

5) to ensure the security of documents and information received from a creditor, a debtor and the third parties, the protection of personal data of a debtor and / or his/her representative, and (or) the third person bound with a creditor under a bank loan agreement or microcredit

agreement, in accordance with the legislation of the Republic of Kazakhstan on personal data and their protection;

6) to have own Internet resource;

7) not to allow the collection of other commissions and payments not provided for in the agreement from a debtor when a creditor concedes the rights (claims) under the bank loan agreement or the microcredit contract;

8) to comply with the requirements and restrictions imposed by the legislation of the Republic of Kazakhstan on the relationship between a creditor and a debtor under the bank loan agreement or the microcredit agreement, and also to such an agreement concluded between a previous creditor and a debtor when a creditor concedes the rights (claims) under the bank loan agreement or the microcredit agreement;

9) to have specialized software used to automate activities and record debts, and to fix the process of interaction with a debtor by means of audio or video equipment in the premises of a collection agency (branch, representative office) at the place of its location;

10) to conclude an agreement on provision of information with the state credit bureau;

11) to submit reports to the National Bank of the Republic of Kazakhstan in the terms and in the manner, as well as in the form established by the National Bank of the Republic of Kazakhstan in agreement with the authorized body for regulation, control and supervision of the financial market and financial organizations;

11-1) to submit information on the contracts for assignment of the right of claim to state revenue bodies at their location no later than the 25th day of the month following the quarter in the form established by the authorized state body performing the management in the field of ensuring receipt of taxes and other obligatory payments to the budget in coordination with the authorized body;

12) to eliminate violations of the legislation of the Republic of Kazakhstan, identified by the authorized body;

13) to notify the authorized body in writing within fifteen working days of the changes made to the documents provided for in subparagraphs 5) and 6) of paragraph 2 of Article 7 of this Law, as well as information about the founders (participants) and executives of the debt collection agency;

14) to record the process of interaction with the debtor and (or) his/her representative, and (or) a third party using audio or video equipment with audio recording and store audio and (or) video recording materials for six months from the date of interaction with the debtor and (or) his/her representative, and (or) a third party;

15) to provide to the authorized body on the basis of its request information, documents and materials of audio and / or video recordings (if any), including on complaints received from debtors and creditors;

16) to ensure the availability of a branch or representative office at the place of residence or at the location or at the place of registration of a debtor or in administrative centers of



regions where the settlement of place of residence or location or place of registration of a debtor is located when interacting with a debtor through personal meetings;

17) to take measures to terminate the powers of an employee who violated the requirements of the mentioned article, in the case of interaction with the persons indicated in the first passage of paragraph 1 and in the first passage of paragraph 1 of paragraph 4 of Article 5 of this Law, even if the authorized body submits a demand for removal the specified employee, and also provide information about the dismissed employee to the authorized body within three working days from the date of dismissal;

18) to provide with information on persons, individually or jointly with another (other) person (s) directly or indirectly owning and (or) using, and ( or) having control of ten or more percent of shares in the authorized capital of a collection agency on a monthly basis, not later than the tenth day of the month following the reporting month, in accordance with the procedure determined by the authorized body,

18-1) to comply, within the framework of the trust management agreement, with the requirements and restrictions imposed by the legislation of the Republic of Kazakhstan on the relationship between the creditor and the debtor under the bank loan agreement and (or) agreement on the provision of microcredit;

19) to follow the rules for the implementation of collection activities provided for in Article 5 of this Law and other requirements established by this Law and other regulatory legal acts of the Republic of Kazakhstan.

2. Collection agencies provide information and data about their activities, requested by the authorized body, in order to ensure state control over collection activities.

Failure to provide, untimely provision of information or provision of information that does not contain data, the submission of which is required in accordance with the legislation of the Republic of Kazakhstan on debt collection activities, provision of inaccurate information, violation of the reporting deadline, submission of inaccurate, as well as incomplete reporting or knowingly inaccurate information by a debt collection agency entails responsibility provided for by the laws of the Republic of Kazakhstan.

**Footnote. Article 15 as amended by Law of the Republic of Kazakhstan No 122-VI as of 25.12.2017 (shall be enforced since 01.01.2018); dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020); dated 25.11.2019 No. 272-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); No. 43-VII of 24.05.2021 ( shall come into force ten calendar days after the date of its first official publication); dated 04.07.2022 No. 133-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication); dated 30.12.2022 No. 179-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).**

## **Article 16. Rights and obligations of a debtor and (or) his/her representative**

1. A debtor and (or) his/her representative shall have the right:

1) to receive from the creditor, the person who has concluded a trust management agreement with the collection agency, the collection agency that has the right to claim against the debtor for the debt, the information about the collection agency, a place of its location, the availability of the debtor's personal data from the collection agency, the amount and structure of the debt;

2) to dispute the demands of a collection agency both fully and partly, including in the court;

3) for pre-judicial settlement of a debt in accordance with Article 6 of this Law;

4) to interact with a collection agency in any manner provided for in § 5 of this Law to obtain information about their debts;

5) to apply to the authorized body with a complaint about the actions (inaction) of a collection agency;

6) to apply to the state credit bureau and (or) to a creditor to receive a certificate on the absence of debts before a creditor with its full repayment;

7) to fix independently the process of interaction with employees of a collection agency with the help of audio and (or) video equipment;

8) to apply to the creditor or the collection agency performing trust management in accordance with the trust management agreement with a statement on changing the terms of the bank loan agreement and (or) the agreement on the provision of microcredit related to the fulfilment of obligations under specified agreements, with justification of the reasons for such an appeal;

9) to have other rights stipulated by this Law and other laws of the Republic of Kazakhstan.

2. A debtor and (or) his/her representative are obliged:

1) to notify a collection agency of changes in their place of residence (legal address), change of name, patronymic (if it is indicated in the identity document), surname, replacement of identification documents (in case of expiration, loss), change of contact information used to communicate with them (him), and the manner of communication and interaction of the collection agency with them (him);

2) at the request of a collection agency, disclose reliable information on the level of income and expenditure, place of residence (legal address), the availability of property for which, in accordance with the legislation of the Republic of Kazakhstan, a recovery may be made to repay the debt;

3) to carry out cooperation on settlement of a debt with the collection agency in accordance with paragraph 1 of Article 5 of this Law;

4) to consider the terms of debt repayment proposed by a creditor and to inform a collection agency or a creditor about the conditions suitable for a debtor within fifteen working days.

Footnote. Article 16 as amended by the Law of the Republic of Kazakhstan dated 04.07.2022 No. 133-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

#### **Chapter 4. STATE ADMINISTRATION OF COLLECTION AGENCIES, CONTROL OF THEIR ACTIVITIES**

##### **Article 17. Competence of the authorized body and the National Bank of the Republic of Kazakhstan**

Footnote. The title of Article 17 as amended by the Law of the Republic of Kazakhstan dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020).

1. State regulation and control over the activities of collection agencies are carried out by an authorized body in accordance with the laws of the Republic of Kazakhstan.

2. The authorized body:

1) conducts registration and maintains a register list of collection agencies;

2) is excluded by the Law of the Republic of Kazakhstan dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020);

3) exercises state control over the activities of a collection agency;

4) examines a debtor's complaint against the actions (inaction) of a collection agency;

5) claims to the court on reorganization or liquidation of legal entities in cases provided for by this Law;

6) performs other powers provided for by this Law, other laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan.

3. The National Bank of the Republic of Kazakhstan, in agreement with the authorized body for regulation, control and supervision of the financial market and financial organizations, determines the list, reporting forms, terms and procedure for its submission by the debt collection agency to the National Bank of the Republic of Kazakhstan.

Footnote. Article 17 as amended by the Law of the Republic of Kazakhstan dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020).

##### **Article 18. Exposure measures and the reasons for their use**

1. If the debt collection agency violates the legislation of the Republic of Kazakhstan on debt collection activities, the banking legislation of the Republic of Kazakhstan or the legislation of the Republic of Kazakhstan on microfinance activity, in case of revelation of illegal actions or inaction of the executive and other employees of the debt collection agency interacting with the debtor, the authorized body applies the measures of influence established by this article. Measures of influence are understood as the restriction measures of influence and sanctions.

In case of violation of the legislation of the Republic of Kazakhstan on credit bureaus and formation of credit records, the debt collection agency is subject to measures of influence provided for by the Law of the Republic of Kazakhstan "On credit bureaus and formation of credit records in the Republic of Kazakhstan."

2. The authorized body has the right to apply the following limited measures to a collection agency:

1) to send a mandatory written instruction to a collection agency for adoption of mandatory corrective measures aimed at eliminating the revealed violations and (or) causes, as well as the conditions that contributed to their commission, within the established period and (or) the need for submission plan of measures to eliminate identified violations and (or) causes within a specified period, as well as conditions that contributed to their commission ( hereinafter - the plan of measures).

The action plan submitted in time, established by a written instruction, specifies the description of violations and (or) reasons, as well as conditions that contributed to their commission, the list of planned activities, the terms of their implementation, as well as responsible officials.

An appeal against a written order of the authorised body shall be made in the manner prescribed by the laws of the Republic of Kazakhstan;

2) to issue a written warning about the possibility of applying the sanctions provided for by paragraph 4 of this article to a debt collection agency, if the authorized body reveals a repeated violation of the norms of the legislation of the Republic of Kazakhstan on debt collection activities, banking legislation of the Republic of Kazakhstan or the legislation of the Republic of Kazakhstan on microfinance activity within one year after issuing this warning, similar to the offence for which a written warning was issued;

3) to draw up a written agreement between an authorized body and the collection agency on the need to immediately eliminate the violations identified and approve the list of measures to eliminate these violations, indicating the terms for their elimination and (or) the list of restrictions that a collection agency takes on itself, until the violations are rectified.

The written agreement is subject to mandatory signing by a collection agency;

4) to demand the removal of a senior employee or other employee of a collection agency interacting with a debtor.

3. A collection agency is obliged to notify the authorized body on the execution of measures specified in written instruction and in written agreement, within the terms provided by these documents.

If the period established for elimination of violation exceeds one month, a collection agency shall notify the authorized body on implementation of measures to eliminate the violations and (or) causes, as well as conditions that contributed to their fulfillment, on a monthly basis until the 20th of the month.

The use of one limited measure of influence does not exclude the use of other limited measures of influence in cases provided for by the laws of the Republic of Kazakhstan, does not suspend or terminate previously taken measures.

4. The authorized body may apply as sanctions:

1) an exclusion of a collection agency from the register of collection agencies on the reasons and in the order provided for in subparagraphs 1), 1-1), 1-2), 2), 3), 4), 5), 6) and 7) of the first part of paragraph 1 of Article 9 of this Law;

2) imposing on a collection agency and collecting a fine from it on the grounds established by the laws of the Republic of Kazakhstan.

5. The decision of the authorised body on the application to a collection agency of the measures provided hereby may be appealed against in the manner prescribed by the laws of the Republic of Kazakhstan.

**Footnote.** Article 18 as amended by the Law of the Republic of Kazakhstan dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020); No. 351-VI of 29.06.2020 (shall come into force on 01.07.2021); dated 30.12.2022 No. 179-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

#### **Article 19. State control over the activities of collection agencies**

State control over the activities of debt collection agencies is carried out by the authorized body in accordance with the Law of the Republic of Kazakhstan "On state regulation, control and supervision of the financial market and financial organizations."

**Footnote.** Article 19 is in the wording of the Law of the Republic of Kazakhstan dated 02.07.2018 No. 168-VI (shall be enforced upon expiry of ten calendar days from the date of its first official publication); as amended by the Law of the Republic of Kazakhstan dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020).

### **Chapter 5. FINAL AND TRANSITIONAL PROVISIONS**

#### **Article 20. Responsibility for violation of legislation of the Republic of Kazakhstan on collection activities**

Violation of legislation of the Republic of Kazakhstan on collection activities entails responsibility established by the laws of the Republic of Kazakhstan.

#### **Article 21. Transitional Provisions**

1. Organizations that prior to the enactment of this law carried out activities with signs of collection activities shall be subject to re-registration with judicial authorities as a collection agency within six months from the date of enactment of this Law.

2. In case of non-compliance with the requirement specified in paragraph 1 of this article, organizations are subject to reorganization or compulsory liquidation in accordance with the laws of the Republic of Kazakhstan.

## **Article 22. Order of enactment of this Law**

This Law enters into force upon expiry of twenty one calendar days after the day of its first official publication.

The President  
of the Republic of Kazakhstan

N. NAZARBAYEV

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the Republic of Kazakhstan