

**ON CIRCULATION OF BILLS IN THE REPUBLIC OF KAZAKHSTAN**

***Unofficial translation***

The Law of the Republic of Kazakhstan dated 28 April 1997 No. 97-1.

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      The Law regulates the circulation of bills in the Republic of Kazakhstan and determines the functions of bill as a payment instrument and funds of credit provision in accordance with the Convention establishing uniform law on bills of exchange and promissory bills, Convention having the purpose of resolving several conflicts of Laws on bills of exchange and promissory bills, and Convention on a stamp duty in respect of bills of exchange and promissory bills dated 7 June 1930.

 **Definitions used in the Law**

      Aval – bill guarantee when a person committed it shall accept obligation on making the payment on a bill (in full or in part) for another person being liable on the bill.

      Avalist – a person that committed aval.

      Acceptance – written agreement for payment of a bill.

      Allonge – supplementary sheet to a bill for commission of endorsement.

      Accommodation bill – a bill drawn for a fictitious person.

      Bill currency – monetary unit in which the sum of bill is expressed.

      Bill drawer – a legal entity or individual that drew a bill.

      Bill holder – owner of a bill having the right for receipt of a sum of money stated in it.

      Bill – payment document of a strictly prescribed form containing one-sided absolute money obligation.

      Bill head paper – variety of stamped paper having a certain degree of protection and designed for drawing up of a bill on it.

      Day of grace – respite days to which the term of payment specified on a bill shall be extended.

      Discount is the interest charged on bills of exchange prior to maturity.

      Addressed bill – a bill being subject to payment by a third person at another place that a residence place of a payer in the name and at the expense of the payer, upon specification on the bill itself about it.

      Friendly bills – bills issued by persons to each other without intention of a bill holder to make a payment on it, but for the purpose of survey of money by mutual discounting of these bills in a second-tier bank.

      Endorsement – endorsement of a bill or on allonge certifying assignment of rights on this bill to another person.

      Endorser – a person transferring a bill.

      Endorsee – a person in favour of which a bill on endorse is transferred.

      Commercial bill – a bill issued on the basis of buy-and-sell agreements, performance of works, rendering of services (with the exception of financial services).

      Brokering – reward paid to an intermediary during commission of a transaction with a bill.

      Residence place – residence place of an individual (mail address) or location of a legal entity (mail address).

      “Not to order” – formula included to the bill by a bill drawer that means a prohibition for transferring a bill by endorsement.

      “Turnover without costs”, “no protest” – remark included to the text of a bill by a bill holder, endorser, avalist, releasing the bill holder from commission of a protest of the bill in non-payment or non-accept by a bill drawer.

      Persons liable on a bill – the persons to which a demand to pay the bill may be submitted: bill drawer, endorser, payer, acceptor, avalist.

      Bill of exchange (sight exchange) – a bill containing unconditioned proposal (order) of a bill drawer (drawer of a sight exchange) to a third person (drawee) to pay a sum of money specified in the bill to the first bill holder (remittee) or under the order in a certain time in future, or upon presentation.

      Inscribed endorsement – a signature on a bill committed by a bill holder and having the purpose the transferring of several rights on a bill within the ambits established by an endorser.

      Promissory bill (straight paper) containing unconditioned obligation of a bill drawer to pay a sum of money specified in the bill to a bill holder upon request or in a certain time in future.

      Protest of a bill – written act certifying failure to date of acceptance or default in acceptance or payment.

      Regress – counter demand on unaccepted or outstanding bill.

      Cross-bill – requirement that may be drawn up in the form of a bill (reserve sight exchange) submitted by a person that answered a bill to one from among the persons liable on the bill. Cross-bill may include paid sum of a bill, fine, expenses linked with commission of a protest.

      Remittance – bill of exchange in a foreign currency acquired by a debtor for a national currency from a third person and transferred to a foreign creditor by him (her) in satisfaction of debt before him (her).

      Accounting office – the second-tier bank (hereinafter – bank) having a license for carrying out accounting operations.

      Finance bill – a bill drawn for the purpose of attraction of money, as well as on the basis of transactions on rendering of financial services.

      Cession – assignment of demand in obligation in accordance with civil legislation.

      Footnote. Supplements amended by the Law of the Republic of Kazakhstan dated 24 December 2001 No. 276; by the Law of the Republic of Kazakhstan dated 9 July 2003 No. 482; dated 02.07.2018 No. 168-VI (shall be enforced upon expiration of ten calendar days from the date of its first official publication).

 **Chapter I.**
**ON BILLS OF EXCHANGE AND PROMISSORY BILLS**
**Chapter 1. ON DRAWING UP AND FORM OF A BILL OF EXCHANGE**

      Bill of exchange shall include:

      1) name “bill” included to the text of document and expressed in the language in which this document is drawn up;

      2) unconditioned order to pay certain sum of money;

      3) name of a person who shall pay (payer);

      4) specification of term of payment;

      5) specification of the place in which the payment shall be made;

      6) name of a person to whom or under the order of whom the payment shall be made;

      7) specification of date and place of drawing up of a bill;

      8) signature of a person who shall issue a bill (bill drawer).

 **Article 2**

      Document in which any of requirements mentioned in a previous Article are absent, have no force of a bill of exchange, with the exception of cases determined in the following items.

      Bill of exchange on which the term of payment is not stated shall be considered as subjected to payment on demand.

      In the absence of special instructions, the place designated near the name of a payer shall be considered as the place of payment and residence place of the payer at the same time.

      Bill of exchange in which the place of its drawing up is not stated shall be recognized as signed at the place designated near the name of a bill drawer.

 **Article 3**

      Bill of exchange may be issued as subjected to payment on the order of a bill drawer.

      It may be issued to the bill drawer himself (herself).

      It may be issued at the expense of a third person.

 **Article 4**

      Bill of exchange may be subject to payment at the residence place of a third person or at the same place where the residence place of a payer is located, or at any other place.

 **Article 5**

      In the bill of exchange that shall be subject to payment with a term on demand or in a particular time after presentation, a bill drawer may attach condition that the interest shall be charged on a sum of bill. In any other bill of exchange such condition shall be considered as unwritten.

      Percentage rate shall be stated in a bill; in the absence of such statement, the condition shall be considered as unwritten.

      Interest shall be charged from the date of drawing up a bill of exchange, unless the other date is stated.

 **Article 6**

      If the sum of the bill of exchange is specified as in words so in figures, in case of discord between these designations, the bill shall have a force for a sum designated in words.

      If the sum is designated several times in a bill of exchange, in words or in figures, in case of discord between these designations, the bill shall have a force only for smaller sum.

 **Article 7**

      If there are signatures on the bill of exchange of persons not able to incur obligations on the bill of exchange, the forged signatures or signatures of fictitious persons, or the signatures that may not oblige the persons that affixed them or in the name of which it is signed on any other ground, the signatures of other persons shall not lose force.

      Absent signature on a bill may be refilled upon condition that officially certified application written on a bill of exchange authenticates a will of that who should affix the signature.

 **Article 8**

      Each who signed the bill of exchange as a representative of a person in the name of which he (she) was not authorized to act, as a party on a bill shall be obliged and if he (she) paid shall have the same rights that would have that who was stated as a represented person. A representative that went beyond the powers shall be in the same position.

 **Article 9**

      Bill drawer shall answer for acceptance and payment as well.

      He (she) may lay down the responsibility from him (her) for the acceptance; any condition on which he (she) lays down the responsibility for payment shall be considered as unwritten.

 **Chapter 2. ON ENDORSEMENT**

 **Article 10**

      Any bill of exchange, even if it is issued without instructions on order, may be transferred by endorsement.

      If a bill drawer put the words “not to order” in a bill of exchange or any other similar expression, the document may be transferred only in compliance with the form and consequences of ordinary cession.

      Endorsement may be committed even in favour of a payer independently from that is he (she) accepted the bill or not, or in favour of a bill drawer, or in favour of any other person liable on the bill. These persons may endorse the bill in turn.

 **Article 11**

      Endorsement shall be simple and unconditioned. Any condition restricting it shall be considered as unwritten.

      Private endorsement shall not be valid.

      Endorsement for a presenter shall have a force of blank endorsement.

 **Article 12**

      Endorsement shall be written on a bill of exchange or on a sheet attached to it (allonge). It shall be signed by an endorser.

      Endorsement may not contain instructions of a person in favour of whom it is made, or it may be consisted from one signature of an endorser (blank endorsement). In this latter case, the endorsement shall be written on the reverse side of a bill of exchange or on allonge for having the force.

      Footnote. Article 12 as amended by the Law of the Republic of Kazakhstan dated 9 July 2003 No. 482.

 **Article 13**

      Endorsement shall transfer all the rights arising from the bill of exchange. If the endorsement if a blank endorsement, a bill holder may:

      1) fill the blank by his (her) name or by the name of any other person;

      2) endorse the bill in turn by blank or in favour of any other person;

      3) transfer the bill to a third person without filling the blank and without commission of endorsement.

 **Article 14**

      Endorser shall answer for acceptance and for payment if there is no any reverse condition.

      He (she) may prohibit the following endorsement; in this case he (she) shall not bear responsibility before the persons in favour of which the bill was endorsed after that.

 **Article 15**

      Person possessing a bill of exchange shall be considered as a legal bill holder, if he (she) bases his (her) right on a continuous number of endorsements, even if the latter endorsement is a blank endorsement. Cancelled endorsements shall be considered as unwritten by this. When there is other endorsement following after the blank endorsement, the person that signed the latter shall be considered as acquired the bill on blank endorsement.

      If someone is deprived of possession of a bill in virtue of any event, the person possessing the bill and that bases his (her) right by the order mentioned in a previous item shall be obliged to return a bill only in case when he (she) acquired it in bad faith or committed gross carelessness in the process of its acquisition.

 **Article 16**

      Persons, against whom the suit is filed on a bill of exchange, may not refer objections to a bill holder based on their personal relations to a bill drawer or to the previous bill holders, only if the bill holder did not act consciously in prejudice of a debtor in the process of acquisition of the bill.

 **Article 17**

      If the endorsement contains a remark “value in collection”, “for collection”, “as an attorney” or any other remark having in view a simple instruction, the bill holder may carry out all the rights arising from the bill of exchange, but he (she) may endorse it only in the manner of commitment.

      In this case, the liable persons may claim objections against the bill holder that could be referred to an endorser.

      The instruction containing in the inscribed endorsement shall not be terminated due to the death of an inscriber or occurrence of his (her) incapacity.

 **Article 18**

      If the endorsement contains a remark “value in security”, “value in pledge” or any other remark having in view a pledge, a bill holder may carry out all the rights arising from the bill of exchange, but the endorsement placed by him (her) shall have the force only as the inscribed endorsement.

      Liable persons may not claim objections against a bill holder based on their personal relations to an endorsee, only if the bill holder didn’t act in prejudice of a debtor in the process of acquisition of the bill.

 **Article 19**

      Endorsement committed after the term of payment shall have the same consequence as a previous endorsement. However, the endorsement committed after the protest in non-payment or after expiration of the term established for commission of the protest shall have a consequence only after the ordinary cession.

      Inasmuch as the reverse is not proved, the undated endorsement shall be considered as committed until expiration of the term established for commission of a protest.

 **Chapter 3. ON ACCEPTANCE**

 **Article 20**

      Bill of exchange may be submitted by a bill holder or even a person possessing the bill before maturity of payment for the acceptance to a payer at the place of his (her) residence.

 **Article 21**

      In any bill of exchange, a bill drawer may attach condition that the bill shall be submitted for acceptance with specification or without specification of the term.

      In the bill, he (she) may prohibit its submission for acceptance, only if the case is not on the bill of exchange that shall be subject to payment at a third person or on the bill that shall be subject to payment in another place, than the residence place of a payer, or on the bill that shall be subject to payment through particular time on demand.

      Also, he (she) may attach condition that its submission for acceptance may not have a place previously than the designated term.

      Each endorser may attach condition that the bill shall be submitted for acceptance with designation of the term or without its designation, only if the bill is not declared by a bill drawer as not subjected to the acceptance.

 **Article 22**

      Bills of exchange being subject to payment in particular time after submission shall be submitted for acceptance within one year from the date of their issuance.

      Bill drawer may reduce this final term or condition longer term.

      These terms may be reduced by endorsers.

 **Article 23**

      A payer may request that the bill was secondly submitted to him (her) on the next day after the first submission.

      Interested persons may refer that the requirement was not performed only in the case if it was specified in a protest on this requirement.

      Bill holder shall not be obliged to transfer the bill to a payer submitted for acceptance.

 **Article 24**

      Acceptance shall be marked on the bill of exchange. It shall be expressed by the word “accepted” or any other similar word; it shall be signed by a payer. Similar signature of a payer made on the front side of the bill shall have the force of the acceptance.

      If the bill is subject to payment in a particular time from submission or if it shall be submitted for acceptance in particular time in virtue of special condition, the acceptance shall be dated by the date on which it was issued, only if the bill holder doesn’t require its dating by the date of submission. In case of absence of the date, for saving the rights of contribution against endorsers and against the bill drawer, the bill holder shall certify this loss by timely commission of a protest.

 **Article 25**

      Acceptance shall be simple and unconditioned however a payer may limit its part of sum.

      Any other change performed by acceptance in a content of the bill of exchange shall be equivalent to default in acceptance. However the acceptor shall answer according to the content of his (her) acceptance.

 **Article 26**

      If in a bill of exchange, the bill holder specified the other place of payment than the residence place of a payer not specifying a third person by this at which the payment shall be committed, the payer shall specify such person upon acceptance. In the absence of such specification it shall be suggested that an acceptor was obliged to make payment by him (herself) at the place of payment.

      If the bill is subject to payment at the residence place of a payer, the latter may specify any address in accept at the same place in which the payment shall be made.

 **Article 27**

      Payer shall incur the obligation in virtue of accept to pay the bill of exchange in due time.

      In case of non-payment, a bill holder even if he (she) is a bill drawer shall have direct suit against an acceptor based on the bill of exchange in respect of all to which the requirement may be submitted according to Articles 47 and 48.

 **Article 28**

      If a payer that put an inscription on a bill of exchange on his (her) acceptance, crossed it out before return of the bill, it shall be considered that it was dishonored by non-acceptance. Inasmuch as otherwise is not proved, it shall be considered that crossing out was made before return of the document.

      However if a payer informed the bill holder or any other among signed persons on his (her) acceptance in written, he (she) is liable before them according to conditions of his (her) acceptance.

 **Chapter 4. ON AVAL**

 **Article 29**

      Payment on the bill of exchange may be ensured in full or in part of the bill amount in virtue of aval.

      This ensuring shall be given by a third person or even one of the persons that signed the bill.

 **Article 30**

      Aval shall be given on a bill of exchange or on a supplementary sheet. Aval may be given by separate act with specification of the place where it was given.

      It shall be expressed by the words “good as aval” or any other similar formula; it shall be signed by those who give the aval.

      Only one signature made by avalist on a front side of the bill of exchange is enough for aval, only if the signature is not made by a payer or bill drawer.

      It shall be specified in aval, at whose expense it was given. In the absence of such specification, it shall be considered as given for a bill drawer.

 **Article 31**

      Avalist shall answer in the same manner as that for which he (she) gave the aval.

      His (her) obligation is valid even in the case if the obligation which he (she) guaranteed turned to be invalid on any ground, being otherwise than defect of the form.

      While paying the bill of exchange, the avalist shall acquire the rights arising from the bill of exchange against whom he (she) gave a guarantee and against those who in the virtue of the bill of exchange are obliged before the latter.

 **Chapter 5. ON TERM OF PAYMENT**

 **Article 32**

      Bill of exchange may be issued as subjected to payment:

      on demand;

      in particular time after presentation;

      in particular time after drawing up;

      on particular date.

      Bills of exchange containing other specifying of time, or sequential terms of payment shall be invalid.

 **Article 33**

      Bill of exchange with a term on demand shall be paid upon its presentation. It shall be presented to payment within one year from the date of its drawing up.

      Bill drawer may reduce this term or condition longer term. These terms may be reduced by endorsers.

      Bill drawer may establish that the bill of exchange with a term on demand may not be presented to payment earlier than particular term. In this case, the term for presentation shall expiry from this term.

 **Article 34**

      Term of payment on the bill of exchange drawn up in particular time after presentation shall be determined by the date of acceptance, or the date of protest.

      In the absence of protest, undated acceptance shall be considered as made in respect of an acceptor in the final date of term provided for presentation for acceptance.

 **Article 35**

      Term of payment on the bill of exchange issued for the term of one or several months from drawing up or from presentation shall occur in the relevant date of the month in which the payment should be made. In the absence of the relevant date in this month, the term of payment shall occur in the final date of this month.

      If the bill of exchange is issued with a term of one month and half or several months with a half from drawing up or presentation, it is necessary to calculate the full months first.

      If the term of payment is specified to beginning, mid- (mid-January, mid-February etc.) or end of month, that means the first, fifteenth or the last date of month.

      Expression “eight days” or “fifteen days” doesn’t mean one or two weeks, but the terms in full eight or fifteen days.

      Expression “half of month” means the term in fifteen days.

 **Article 36**

      If the bill of exchange is subject to payment in particular date at any place where the calendar being other than at the place of issuance is accepted, the term of payment shall be considered as specified according to calendar of the place of payment.

      If at the place of issuance and place of payment on the bill of exchange made with a term in particular time after drawing up there are different valid calendars, the date that is relevant to the date of issuance according to calendar of the place of payment shall be established and depending on this the term of payment shall be determined.

      Terms for presentation of the bills of exchange shall be calculated respectively by the rules of the previous item.

      These rules shall not be applied if any remark made in the bill of exchange or even a content of document specifies to intention to adopt new rules.

 **Chapter 6. ON PAYMENT**

 **Article 37**

      Holder of the bill of exchange for a term of particular date or in particular time after drawing up or from presentation shall give the bill of exchange to payment or on a date when it shall be paid or on one of two following business days. *<\*>*

      Footnote. Article 37 as amended by the Law of the Republic of Kazakhstan dated 9 July 2003 No. 482.

 **Article 38**

      Upon payment of the bill of exchange, a payer may require that it should be handed to him (her) by a bill holder with quittance in receipt of payment.

      Bill holder may not refuse from participation in partial payment.

      In case of partial payment, a payer may require marking on such payment on a bill and issuance of receipt to him (her) about this.

 **Article 39**

      Bill holder may not be forced to receive payment on the bill of exchange before maturity.

      Payer, who pays before maturity, makes this at his (her) own risk.

      He (she) who pays in due time shall be released from the obligation, only if there was no lie or gross carelessness from his (her) side. He (she) shall be obliged to check correctness of the sequential range of endorsements, but not the signatures of endorsers.

 **Article 40**

      If the bill of exchange is drawn in a currency not having a circulation at the place of payment, its sum may be paid in a local currency at the exchange rate for the date of maturity of payment. If a debtor falls into arrears, a bill holder at his (her) discretion may require that the sum of the bill of exchange is paid in a local currency at the exchange rate or for the date of maturity of payment, or for the date of payment.

      Rate of foreign currency shall be determined according to practices acting at the place of payment. However, a bill drawer may attach a condition that the sum being subject to payment shall be calculated according to the rate of exchange designated in the bill.

      If the sum of the bill of exchange is designated in a currency having similar name in a country of issuance and in a country of payment, but different rate, it shall be suggested that it means the currency of the place of payment.

 **Article 41**

      In case of non-presentation of the bill of exchange to the payment in term mentioned in Article 37, each debtor shall have the right to introduce the sum of bill in a deposit of a person specially authorized by the Law on account, at the risk of a bill holder.

 **Chapter 7. SUIT IN CASE OF NON-ACCEPTANCE OR NON-PAYMENT**

 **Article 42**

      Bill holder may realize his (her) right in contribution against endorsers, bill drawer and other liable persons:

      upon maturity of payment:

      if the payment was not made;

      even earlier than maturity of payment:

      1) if there was full or partial default in acceptance;

      2) in case of recognition of a payer as bankrupt independently from that if he accepted the bill or not, in case of termination of payments by him (her), even if this circumstance was not established by court, or in case of issueless levy of execution on his (her) property;

      3) in case of recognition of a bill holder as a bankrupt on the bill not subject to acceptance.

      Procedure for establishment of the fact by court of termination of payments by a payer, as well as procedure for levy of execution on property is established by Article 94 of this Law.

      Regress suit to persons bearing responsibility for acceptance and payment on the bill may be brought not later than the term of payment on the bill (for paragraphs 2 and 3 of this Article).

 **Article 43**

      Default of acceptance or payment shall be confirmed by the act certifying the fact of refusal (protest in non-acceptance or non-payment).

      Protest may be substituted by an application completed on thebill itself and signed by a payer with the exception of cases when a bill drawer requires commission of a protest by official act in the text of the bill of exchange. Mentioned application shall be committed on terms established for commission of protests and shall be registered in accordance with current legislation of the Republic of Kazakhstan. By this undated endorsement shall be suggested to be placed before the protest.

      Protest in non-acceptance shall be committed on terms established for presentation for acceptance. If in case provided in the first item of Article 23, the first presentation took the place in the final date of the term, the protest still may be committed on the next day.

      Protest in non-payment shall be committed on a date when the bill of exchange is subject to payment or on one of two following business days.

      Protest in non-acceptance shall release from presentation to payment and from the protest in non-payment.

      In case of termination of payments by a payer independently from that if he (she) accepted the bill or not, or in case of issueless levy of execution on the property of the payer, a bill holder may exercise the rights belonging to him (her) only after presentation of the bill to the payer for payment and after commission of the protest.

      In case of recognition of a payer as bankrupt independently from if he (she) accepted the bill or not, as well as in case of recognition of a bill drawer on the bill not subject to acceptance as bankrupt, for exercising the rights of a bill holder belonging to him (her) it is enough to present court decision on his (her) recognition as bankrupt.

 **Article 44**

      Bill holder shall notify his (her) endorser and bill drawer on non-acceptance or non-payment within four business days next to the date of protest or in case of remark “turnover without costs” next to the date of presenting. Each endorser shall inform his (her) endorser within two business days following the date of receiving the notification by him (her) on the notification with specification of names and addresses of those who sent the previous notifications, and so on until coming to the bill drawer. Above mentioned terms shall run from the date of receiving the previous notification.

      If in accordance with the previous item, the notification is sent to someone who affixed the signature on the bill of exchange, the notification shall be sent in the same term to that who gave the aval for it.

      In case, if someone among the endorsers didn’t specify his (her) address or specified it in unreadable manner, it is sufficient that the notification is sent to the endorser that preceding him (her).

      He (she) who shall send notification may make it in any form, even by simple return of the bill of exchange.

      He (she) shall prove that he (she) has sent the notification within established term. It should be considered shall the term is kept if a letter containing the notification is sent by mail within established term.

      He (she) who didn’t send notification within established term shall not lose his (her) right; he (she) shall bear responsibility for the harm that may occur due to his (her) carelessness with that however the amount of compensated losses may not exceed the sums of the bill of exchange.

      In case of protest on non-acceptance or non-payment, the notary officer shall be obliged to prevent all the persons liable on the bill about this by sending written notification in accordance with addresses available on the bill or requested from the persons requiring the protest. Expenses on such notification shall be added to the costs on protest.

 **Article 45**

      Bill drawer, endorses or avalist may release a bill holder from commission, for exercising his (her) right in contribution, protest in non-acceptance or non-payment by remark signed and included to the document “turnover without costs”, “no protest” or any other equivalent remark.

      This remark shall not release a bill holder neither from presentation of the bill of exchange within established terms, nor from sending the notification. Prove of non-observance of the terms shall be laid on whoever making reference to this circumstance in a dispute with the bill holder.

      If the remark is included by a bill drawer, it shall have the force in respect of all the persons that signed the bill; if it is included by an endorser or avalist it shall have the force in respect of it itself.

      If in spite of remark included by the bill drawer, a bill holder commits a protest, the costs on the protest shall be laid on him (her). If remark came from an endorser or avalist, the costs on the protest if such was committed, may be demanded from all the persons that affixed their signatures.

 **Article 46**

      All of those that issued, accepted, endorsed the bill of exchange or that put an aval on it are jointly liable before a bill holder.

      Bill holder shall have the right of bringing the suit to all these persons, to each taken separately and to all together, by this without being obliged to comply with the sequence in which they are liable.

      The same right belongs to each who signed the bill of exchange after that he (she) paid it.

      The suit brought to one of liable shall not impede bringing of suits to others even if there are obligated after primal defendant.

 **Article 47**

      Bill holder may require as follows from that to whom he (she) brings a suit:

      1) sum of the bill of exchange, non-accepted or non-paid with interest if it was conditioned;

      2) a penalty on the amount of the bill in the amount of the base rate of the National Bank of the Republic of Kazakhstan on the day on which the bill was payable;

      3) costs on the protest, costs on sending notification, as well as other costs.

      Besides, the bill holder that brought the suit may include a fee in amount of 0.01 percent from the sum of bill to the sum of suit.

      If the suit is brought before maturity of payment, the interest rate shall be deducted from the bill amount. This interest rate shall be calculated according to official discount rate (banking rate) existing at the residence place of the bill holder on the date of bringing the suit.

      Footnote. Article 47 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 No. 399-VI (shall be enforced from 01.01.2021).

 **Article 48**

      He (she) who paid the bill of exchange may require as follows from those who are responsible before him (her):

      1) all the sum paid by him (her);

      2) interest on the specified amount, calculated in the amount of the base rate of the National Bank of the Republic of Kazakhstan on the day on which the bill was paid by the claimant;

      3) expenses incurred by him (her).

      Person that paid the bill and brought the suit to the persons liable on the bill may include a fee in amount of 0.05 percent from the sum of bill to the sum of suit.

      Footnote. Article 48 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 No. 399-VI (shall be enforced from 01.01.2021).

 **Article 49**

      Each liable person to whom the suit is brought or may be brought may require delivery of the bill of exchange with a protest and quittance of payment against payment.

      Each endorser that paid the bill of exchange may cross out his (her) endorsement and endorsement of the endorsers following after it.

 **Article 50**

      In case of carrying out the regress after partial acceptance, he (she) who pays the sum on which the bill was not accepted, may require marking of which payment on the bill and issuance of quittance about this. Moreover, the bill holder shall be obliged to send him (her) certified copy from the bill and act of protest in order to carry out the following regress by him (her).

 **Article 51**

      Inasmuch as otherwise is specified, each person having the right to bring a suit may receive a payment by new bill (reserve sight exchange) issued for the term on demand for one of persons liable before him (her), with a payment at the residence place of this person.

      Beside the sums mentioned in Articles 47 and 28, the reserve sight exchange shall include brokering on the reserve sight exchange as well.

      If the reserve sight exchange is issued by a bill holder, its sum shall be established at the exchange rate for the bills of exchange for the term on demand issued for the residence place of a liable person at the place of payment on primary bill. If the reserve sight exchange is issued by an endorser, its sum shall be established at the exchange rate for the bills of exchange for the term on demand issued for the residence place of a guaranteed person at the residence place of a bill drawer on reserve sight exchange.

      Footnote. Article 51 as amended by the Law of the Republic of Kazakhstan dated 9 July No. 2003 No. 482.

 **Article 52**

      Upon expiry of terms established:

      for presentation of the bill of exchange for the term on demand or in particular time after presentation;

      for commission of protest in non-acceptance or non-payment;

      for presentation to payment in case of remark “turnover without costs”,

      bill holder loses his (her) rights against endorsers and against other liable persons with the exception of an acceptor.

      In case of non-presentation to acceptance in due time conditioned by a bill drawer, a bill holder shall be deprived of the rights belonging to him (her) arising as due to non-payment and due to non-acceptance, only if it follows from the content of condition that the bill drawer suggested to release himself (herself) only from the responsibility for the acceptance.

      If the term for presentation is conditioned in endorsement, only an endorser may refer to it.

 **Article 53**

      If invincible obstacle (legislative regulation of any state or other case of insuperable force) impedes the presentation of the bill of exchange or commission of protest within established terms, these terms shall be prolonged.

      Bill of holder shall be obliged to notify his (her) endorser without delay on a case of insuperable force and make a note of this notification on the bill of exchange or on allonge specifying its date and affixing the signature; as for the rest, the rules of Article 44 shall be applied.

      After termination of act of insuperable force, a bill holder shall present the bill without delay for acceptance or payment and commit the protest if it is necessary.

      If the act of insuperable force continues for more than thirty days after the term of payment, the presentation of the bill, as well as commission of the protest shall not be necessary for carrying out the regress.

      For the bills of exchange for the term on demand or in particular time after presenting, the thirty days term shall run from the date on which a bill holder notified his (her) endorser on insuperable force; this notification may follow before expiration of the term for presenting the bill; for the bills of exchange for the term in particular time after presenting, the thirty days term shall be increased for the term of presenting mentioned in the bill of exchange.

      Insuperable force shall not be considered as the circumstances concerning a bill holder in person or that to which he (she) assigned the presentation of the bill or commission of the protest.

 **Chapter 8. ON MEDIATION**
**1. GENERAL PROVISIONS**

 **Article 54.**

      Bill drawer, endorser or avalist may specify any person for acceptance or payment in case of necessity.

      Bill of exchange may be accepted or paid upon conditions established below by a person acting as an intermediary for any of debtors liable in the manner of regress.

      Intermediary may be a third person, even a payer or any other person being already liable in virtue of the bill of exchange with the exception of an acceptor.

      Intermediary shall notify that for whom he (she) acted on mediation within two business days. In case of non-observance of this term, he (she) shall answer in the relevant cases for damage inflicted by his (her) carelessness, however with that losses are subject to compensation in amount no more than the bill amount.

 **2. ACCEPT IN THE MANNER OF MEDIATION**

 **Article 55**

      Acceptance in the manner of mediation may take a place in all the cases when the right to regress is created before maturity of payment of a bill holder of the bill of exchange being subject to acceptance.

      If in the bill of exchange, in case of necessity, there was specified a person for acceptance or for payment at the place of payment, the bill holder may exercise his (her) right of regress before maturity of payment against that who made this specification, and against the persons that affixed their signatures after that the specification was made, but all of this only upon condition that he (she) presented the bill of exchange to mentioned person and that in case of default of acceptance of the latter, this default was certified by the protest.

      In other cases of mediation, bill holder may reject the acceptance in the manner of mediatory. However, if he (she) admit acceptance, he (she) losses the right to regress before maturity of payment against that at the expense of which the acceptance was issued, and against the persons who affixed their signatures after him (her).

 **Article 56**

      Acceptance in the manner of mediation shall be marked on the bill of exchange; acceptance shall be signed by an intermediary. There shall be specified at whose expense it is committed; in the absence of such specification, the acceptance shall be considered as made for a bill drawer.

 **Article 57**

      Acceptor in the manner of mediatory shall be obliged in respect of a bill holder and in respect of endorsers that made inscriptions after the person at the expense of whom he (she) acted as an intermediary on the similar grounds with this person.

      In spite of the acceptance in the manner of mediation, the person at the expense of whom it was made, as well as persons being liable for it may require from a bill holder against payment of the sum mentioned in Article 47, delivery of the bill, protest and in the relevant case – account with quittance on payment.

 **3. PAYMENT IN THE MANNER OF MEDIATORY**

 **Article 58.**

      Payment in the manner of mediation may take a place in all the cases when upon maturity of payment or before maturity of payment; a bill holder has the right to regress.

      Payment shall cover the entire sum being subject to payment by which the payment is made.

      At the latest, it shall be made no later than on the next day after the last date provided for commission of the protest in non-payment.

 **Article 59**

      If the bill of exchange was accepted by intermediaries having the residence place at the place of payment, or in case if the persons having the residence places at the same place were specified for payment in case of necessity, the bill holder shall present a bill to all these persons and in the relevant cases to commit the protest in non-payment at the latest on the next day after the last date provided for commission of the protest.

      If the protest is not committed in this term, he (she) who specified a person for payment in case of necessity or he (she) at the expense of whom the bill was accepted, as well as the following endorsers shall not be liable.

 **Article 60**

      Bill holder refused from payment in the manner of mediation shall lose the right to regress against those who were released from responsibility.

 **Article 61**

      Payment in the manner of mediation shall be certified by quittance committed on the bill of exchange with specification of the person for whom the payment was made. In the absence of such specification it shall be considered that the payment is made for a bill drawer.

      Bill of exchange and protest if such was committed shall be delivered to that who made a payment in the manner of mediation.

 **Article 62**

      Person that made payment in the manner of mediation shall acquire the rights arising from the bill of exchange against that for whom he (she) paid and against those who are liable before this latter on the bill of exchange. However he (she) may not endorse the bill of exchange.

      Endorsers following the person who affixed his (her) signature on the bill and for whom the payment was made shall be released from responsibility.

      In case of competition of several suggestions on payment in the manner of mediation, he (she) that releases more persons from responsibility shall be preferred. Intermediary knowing that he (she) violates this rule shall lose the right to regress to those who might be released from responsibility.

 **Chapter 9. ON MULTIPLICITY OF SAMPLES AND ON COPIES**
**1. MULTIPLICITY OF SAMPLES**

 **Article 63**

      Bill of exchange may be issued in several identical samples.

      These samples shall be provided with sequential numbers in the text itself of the document; otherwise each of them shall be considered as separate bill of exchange.

      If there is no specification that it is issued in a single sample, the bill holder may require issuance of several samples at his (her) expense. For this he (she) shall apply to his (her) direct endorser that shall be obliged to render assistance to him (her) and so on coming to the bill drawer. Endorsers shall be obliged to reproduce endorsements on new samples.

 **Article 64**

      Payment made on one sample shall release from responsibility even if it was not conditioned that the payment covers the other samples. However a payer shall continue answer for each sample accepted by him (her) and not returned to him (her).

      Endorser that transferred the samples to different persons, as well as the following endorsers shall be liable on all the samples on which there is their signature and that were not returned.

 **Article 65**

      He (she) who sent one of the samples for acceptance shall specify the name on other samples of the person in hands of which this sample is. This latter person shall be obliged to present it to legal holder of other sample.

      If he (she) refuse to make this, a bill holder may exercise the right only after certification of protest that:

      1) the sample sent for acceptance was not transferred to him (her) in spite of his (her) requirement;

      2) that accept or payment might not be received on another sample.

 **2. COPIES**

 **Article 66**

      Each holder of the bill of exchange shall have the right to make its copies.

      Copy shall exactly reproduce original with endorsements and all other marks on it. It shall specify to which place it is made.

      It may be endorsed and avaled in the same manner and with the same consequences as the original.

 **Article 67**

      Person in the hands of which there is original document shall be specified in the copy. The latter shall be obliged to deliver mentioned document to a legal holder of copy.

      If he (she) refuses to make this, a bill holder may exercise the right of regress against endorsers or avalists only after certification by the protest of that the original was not transferred to him (her) in spite of his (her) requirement.

      If there is remark on the original document after the last endorser made before copying: “from this point, the endorsement is valid only on a copy” or any other similar formula, the endorsement placed after this on original shall be invalid.

 **Chapter 10. ON CHANGES**

 **Article 68**

      In case of change of the text of the bill of exchange, the persons that affixed their signatures after this change shall answer in accordance with the content of changed text; persons that affixed their signatures before this shall answer in accordance with the content of primary text.

 **Chapter 11. ON LIMITATION**

 **Article 69**

      Plaintiff's claims arising from the bill of exchange against an acceptor shall be discharged upon expiry of three years from the date of term of payment.

      Plaintiff’s claims of a bill holder against endorsers and against a bill drawer shall be discharged upon expiry of one year from the date of protest committed within established term or from the date of term of payment in case of remark on turnover without costs.

      Plaintiff’s claims of endorsers to each other and to a bill drawer shall be discharged upon expiry of six months calculating from the date on which the endorser paid the bill, or from the date of bringing the suit to him (her).

      In case of loss of right or expiration of the limitation period, the right of the suit against a bill drawer that didn’t ensure cover or endorser illegally enriched, or against an acceptor that received cover or illegally enriched shall be preserved.

      Running of limitation period may be suspended in accordance with current legislation of the Republic of Kazakhstan.

 **Article 70**

      Interruption of limitation shall have the force only in respect of that against whom the action interrupting limitation was committed.

 **Chapter 12. GENERAL REGULATIONS**

 **Article 71**

      Payment on the bill of exchange the term of which falls to non-working day according to the law may be requested only on the first following business day. Equally, all other actions related to the bill of exchange, particularly presentation for acceptance and protest may be committed only on business day.

      If any of these actions should be committed within particular term the last date of which is non-working day according to the law, such term shall be prolonged up to the nearest business day after expiration of the term. Non-working days falling to the time of running of the term shall be counted on account of the term.

      Business days recognized as non-working days in accordance with the current legislation of the Republic of Kazakhstan shall be equated to non-working days.

 **Article 72**

      A date from which the term begins to run shall not be included to the terms established by the Law or in a bill.

 **Article 73**

      None days of grace, whether legal or judicial shall be admitted.

 **Chapter 13. ON SIMPLE BILL**

 **Article 74**

      Simple bill shall contain:

      1) name “bill” included to the text and expressed in the language in which this document is drawn up;

      2) unconditioned promise to pay particular sum of money;

      3) specifying the term of payment;

      4) specifying the place at which the payment shall be made;

      5) name of that who or by the order of whom the payment shall be made;

      6) specifying date and place of drawing up the bill;

      7) signature of that who issues a document (bill drawer).

 **Article 75**

      Document, in which there are no any designations mentioned in a previous Article, shall not have the force of simple bill with the exception of cases determined in the items following below.

      Simple bill the term of payment on which is not specified shall be considered as being subject to payment on demand.

      In the absence of special specification, the place of drawing up of document shall be considered as the place of payment and with that the residence place of a bill drawer.

      Simple bill not specifying the place of its drawing up shall be considered as signed at the place designated near the name of a bill drawer.

 **Article 76**

      Regulations related to the bill of exchange shall be applied to the simple bill inasmuch as they are not unsuited with nature of this document, and concerning:

      endorsement (Articles 10-19);

      term of payment (Article 32-36);

      payment (Article 37-41);

      suit in case of non-acceptance or non-payment (Articles 42-49, 51-53);

      payment in the manner of mediation (Article 54, 58-62);

      copies (Article 66, 67);

      changes (Article 68);

      limitation (Article 69, 70);

      non-working days, calculation of terms and prohibitions of the days of grace (Article 71, 72. 73).

      Regulations related to the bill of exchange being subject to payment at a third person or at another place than the residence place of a payer (Articles 4 and 26), conditions on interests (Article 5), disagreements in designations of the sum subjected to payment (Article 6), consequences of placing any signature in conditions provided in Article 7, consequences of signature of a person that acts without powers or with excess of powers (Article 8) shall be applied to the simple bill.

      Equally, the regulations concerning aval (Articles 29-31) shall be applied to the simple bill; in case provided in the last item of Article 30, if it is not specified in aval for whom it is placed, it shall be considered that it is placed for a bill drawer on the simple bill.

 **Article 77**

      Bill drawer on the simple bill shall be liable as an acceptor on the bill of exchange.

      Simple bills with a term in particular time after presentation shall be presented to a bill drawer for marking on terms mentioned in Article 22. Term from presentation shall run from the date of mark signed by a bill drawer on the bill. Refusal of a bill drawer to put a dated mark shall be certified by protest (Article 24) the date of which serves as a moment of beginning for running of the term from presentation.

 **Section II**
**PROCEDURE FOR CIRCULATION OF BILLS IN**
**THE REPUBLIC OF KAZAKHSTAN**
**Chapter 14. GENERAL PROVISIONS**

 **Article 78**

      Promissory note in the Republic of Kazakhstan is a complex of relations formed in relation to issue of promissory notes and promissory notes of a commercial nature in the territory of the Republic of Kazakhstan, transfer of the right of claim on promissory notes, including those issued outside the Republic of Kazakhstan, fulfillment of obligations on such promissory notes and operations related to them, their accounting by accounting offices, as well as issue of promissory notes and promissory notes by central and local executive bodies of the Republic of Kazakhstan.

      Central executive bodies shall release simple and exchange bills on the basis of decision of the Government of the Republic of Kazakhstan.

      Footnote. Article 78 is in the wording of the Constitutional Law of the Republic of Kazakhstan dated 03.07.2013 No. 121-V (shall be enforced upon expiry of ten calendar days after its first official publication); with the amendments introduced by the Law of the Republic of Kazakhstan dated 02.07.2018 № 168-VI (shall be enforced upon expiration of ten calendar days from the date of its first official.

 **Article 79**

      Relations on circulation of the bills in the Republic of Kazakhstan shall be regulated by Geneva bill conventions, as well as by the legislation of the Republic of Kazakhstan consisting of this Law, other legislative acts of the Republic of Kazakhstan, regulatory legal acts of the National Bank of the Republic of Kazakhstan issued in accordance with them.

      Footnote. Article 79 is in the wording of the Constitutional Law of the Republic of Kazakhstan dated 03.07.2013 No. 121-V (shall be enforced upon expiry of ten calendar days after its first official publication).

 **Article 80**

      Bill obligation shall be created from the date of transfer of the bill properly drawn up by a bill drawer.

      Commercial bill shall be issued for deferral of payment on the buy-and-sell agreements, performance of works, rendering of services (with the exception of financial services).

      Bill obligation shall have a force, if the bill is drawn up in accordance with requirements established by Articles 1-9 of this Law.

      Footnote. Article 80 is in the wording of the Constitutional Law of the Republic of Kazakhstan dated 03.07.2013 No. 121-V (shall be enforced upon expiry of ten calendar days after its first official publication).

 **Article 81**

      Allonge together with a bill shall represent a single document.

      Allonge shall contain inscription allowing determining definitely belonging of allonge to particular bill. Allonge may be attached to a bill in such a way that endorsement begins on the bill itself and ends on allonge.

 **Article 82**

      Sum of a bill is a monetary amount on which it is issued. Interests mentioned in it, fee and other costs linked with operations on the bill shall not be included to the bill amount.

      The currency of the promissory note issued in the territory of the Republic of Kazakhstan is the Tenge. A promissory note in foreign currency issued by a resident of the Republic of Kazakhstan on transactions with non-residents of the Republic of Kazakhstan may be circulated in the territory of the Republic of Kazakhstan.

      Footnote. Article 82 as amended by the Law of the Republic of Kazakhstan dated 9 July 2003 No. 482; dated 02.07.2018 № 168-VI (shall be enforced from 01.07.2019).

 **Article 83**

      Banks and organizations carrying out separate types of banking operations in existence of the relevant license shall have the right to carry out the following types of operations with the bills:

      acceptance of bills for collection;

      rendering of services on payment of bills by a payer;

      payment of addressed bills;

      acceptance of bills in the manner of mediation.

      Operations on discounting of bills shall be carried out only by account offices.

      Banks shall have the right to aval the bills inly in existence of license for issuance of banking guarantees providing fulfillment in monetary form.

      Footnote. Article 83 is in new wording by the Law of the Republic of Kazakhstan dated 9 July 2003 No. 482.

 **Article 83-1**

      Bills in the territory of the Republic of Kazakhstan may be issued in ordinary and bill paper.

      Requirements submitted to levels of protection of bill paper produced in the territory of the Republic of Kazakhstan on imported to its territory, as well as technical requirements to the bill paper shall be established by the National Bank of the Republic of Kazakhstan.

      In case of issuance of a bill on bill paper, the text of such bill shall be drawn up in national and Russian languages. Additional use of other foreign languages shall be admitted.

      Footnote. The Law is supplemented by new Article 83-1 by the Law of the Republic of Kazakhstan dated 24 December 2001 No. 276; Article is in new wording – by the Law of the Republic of Kazakhstan dated 9 July 2003 No. 482. As amended by the Law of the Republic of Kazakhstan dated 8 July 2005 No. 69.

 **Chapter 15. FUNCTIONS OF BILL AS MEANS OF PAYMENT AND**
**CREDITING**

 **Article 84**

      Legal entities and individuals in the territory of the Republic of Kazakhstan shall have the right to use simple and exchange bill in calculations between each other upon condition that this is provided in the relevant contract and is not inconsistent with the Law.

      Calculations by bills through accounting offices shall be carried out in the manner established by the National Bank of the Republic of Kazakhstan.

      Procedure for remittance of bills accepted for collection by institutions of communication shall be determined by the regulatory legal acts of the authorized body of the Republic of Kazakhstan issued in coordination with the National Bank of the Republic of Kazakhstan and contract between the institution of communication and accounting office.

 **Article 85**

      Article 85 is excluded by the Law of the Republic of Kazakhstan dated 9 July 2003 No. 482.

 **Article 86**

      Acceptance of promissory notes by endorsement offices before the maturity date with payment of the bill of exchange to the bearer of the bill of exchange is called promissory notes accounting. The accounting office has the right to deduct from the bill amount the discount established by the accounting office independently.

      The procedure for accounting for promissory notes, as well as the performance of operations with promissory notes by banks and organizations engaged in certain types of banking operations, are established by regulatory legal acts of the National Bank of the Republic of Kazakhstan.

      Footnote. Article 86 as amended by the Law of the Republic of Kazakhstan dated 9 July 2003 No. 482; dated 8 July 2005 No. 69; No. 168-VI dated 02.07.2018 (shall be enforced upon expiration of ten calendar days from the date of its first official publication).

 **Article 87**

      Article 87 is excluded by the Law of the Republic of Kazakhstan dated 9 July 2003 No. 482.

 **Article 88**

      Cover of the bill means establishment of such relations by a bill drawer with a person mentioned in the bill as a payer in virtue of which the bill drawer shall hold the right of demand of fulfilling any obligations. By this the sum of such obligation shall be no lower than the sum of payment on the bill.

      Bill holder shall have the right to require cover of the bill from a bill drawer. Bill drawer shall be obliged to ensure cover of the bill by the term of payment.

 **Article 89**

      Ensuring of payment of the letter of credit, return of bank loan by bill guarantee shall be carried out in the manner established by the National Bank of the Republic of Kazakhstan. Hypothecation of the bill shall be carried out in compliance with requirements submitted to drawing up of endorsement.

      In the rest cases, the bill guarantee shall not be allowed.

      Bills guarantee and registration of such transactions in the territory of the Republic of Kazakhstan shall be performed through the relevant accounting offices. *<\*>*

      Footnote. Article 89 as amended by the Law of the Republic of Kazakhstan dated 9 July 2003 No. 482.

 **Chapter 16. CIRCULATION OF BILLS OF NON-RESIDENTS OF THE**
**REPUBLIC OF KAZAKHSTAN. OPERATIONS WITH BILLS IN FOREIGN**
**CURRENCY**

 **Article 90**

      Circulation of bills issued by non-residents of the Republic of Kazakhstan in the territory of the Republic of Kazakhstan shall be regulated by the bills legislation of the Republic of Kazakhstan.

      Bill obligation accepted by the resident of the Republic of Kazakhstan beyond the borders of the Republic of Kazakhstan shall be valid in the territory of the Republic of Kazakhstan only in case if by this the requirements submitted by the bill legislation of the Republic of Kazakhstan are observed.

 **Article 91**

      Rate of bill currency shall be determined according to the rate of such currency established by accounting office serving a payer or that accepted the bill for discounting.

 **Article 92**

      Remittance may be used only by accounting office having a license of the National Bank of the Republic of Kazakhstan for conduct of currency operations in mutual settlements with a non-resident of the Republic of Kazakhstan.

 **Chapter 16-1. Stamp duty**

      Footnote. The Law is supplemented by new chapter 16-1 by the Law of the Republic of Kazakhstan dated 24 December 2001 No. 276; chapter is excluded by the Law of the Republic of Kazakhstan dated 9 July 2003 No. 482.

 **Chapter 17. RESPONSIBILITY FOR VIOLATION OF THE**
**BILL LEGISLATION**

 **Article 93**

      Protest on non-acceptance or non-payment on the bill shall be committed by a notary officer within one business day from the date of presenting the bill to him (her) by making the relevant inscription on it and drawing up of written act certifying the fact of non-acceptance or non-payment.

      Protest in failure to date acceptance shall be committed in the manner and on terms established for commission of protest in non-acceptance of the bill.

      Footnote. Article 93 is in new wording by the Law of the Republic of Kazakhstan dated 9 July 2003 No. 482.

 **Article 94**

      Levy of execution on property of a payer on the bill shall be performed only on the basis of judicial order or court decision.

      Court shall not have the right to consider conditions of the contract that served as the ground for issuance of the bill, with the exception of cases when the bill was recognized invalid.

      In the cases when the bill was drawn up with violations of requirements established by Articles 1 and 74 of this Law, the bill shall be recognized invalid. In case of occurrence of dispute on obligations arising from invalid bill, the dispute shall be considered as a case on violation of obligations under the contract mentioned in item two of this Article.

      Footnote. Article 94 as amended by the Law of the Republic of Kazakhstan dated 9 July 2003 No. 482.

 **Article 95**

      Release of friendly, accommodation and finance bills shall be prohibited in the territory of the Republic of Kazakhstan.

      Risk of non-payment on friendly or accommodation bill shall be carried by a bill holder that presented friendly or accommodation bill.

      Legal entities and individuals shall be obliged to apply to the relevant law enforcement bodies immediately on the facts of presenting accommodation bills.

      Person that is guilty in release of friendly, accommodation or finance bill shall bear responsibility in accordance with the Laws of the Republic of Kazakhstan.

      Footnote. Article 95 as amended by the Law of the Republic of Kazakhstan dated 9 July 2003 No. 482.

 **Article 96**

      Risk of loss of the bill shall be carried by a bill holder. Loss of bill by a bill holder shall entail loss of the right of demand on it, with the exception of cases when a bill drawer recognized issuance of the lost bill. Payment on lost bill may be carried out upon condition of restoration of the right of demand on it in a judicial proceeding as well.

      Application on restoration of the right on lost bill shall be considered by court in the manner provided by the current legislation of the Republic of Kazakhstan.

      Issuance of the bill instead of lost bill and restoration of qualified endorsements on a bill shall be carried out at the expense of a bill holder that lost it.

      Person obliged to deliver a bill shall bear responsibility for loss of the bill from the date of its acceptance to sending and until delivery to its addressee. In case of loss of a bill, he (she) shall be obliged to compensate all the expenses linked with restoration of the rights of such bill to a bill holder or accounting office that carried operations on collection of the lost bill.

      Footnote. Article 96 as amended by the Law of the Republic of Kazakhstan dated 9 July 2003 No. 482.

 **Article 97**

      Footnote. Article 97 is excluded by the Law of the Republic of Kazakhstan dated 9 July 2003 No. 482.

 **Chapter 18. FINAL PROVISIONS**

      Footnote. Chapter 18 is excluded by the Law of the Republic of Kazakhstan dated 9 July 2003 No. 482.

      The President

 of the Republic of Kazakhstan

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