

On Audit Activity

Unofficial translation

The Law of the Republic of Kazakhstan dated 20 November 1998 № 304.

Unofficial translation

Footnote. The Law is in the wording of Law of the Republic of Kazakhstan № 139 dated 5 May 2006 (see Article 2 of Law of the Republic of Kazakhstan № 139 for the enactment procedure).

Footnote. Through the whole text, the words “on revocation”, “Revocation”, “of revocation” are substituted respectively by the words “on deprivation”, “Deprivation”, “of deprivation” – by Law of the Republic of Kazakhstan № 222 dated 12 January 2007 (shall be enforced upon expiry of 6 months from the date of its official publication).

Footnote. Throughout the text, the words “and financing of terrorism” shall be replaced with the words “financing of terrorism and financing of the proliferation of weapons of mass destruction” pursuant to the Law of the Republic of Kazakhstan dated 19.09.2025 № 219 (effective sixty calendar days after the date of its first official publication).

This Law shall regulate relations arising between state bodies, individuals and legal entities, auditors, audit organizations, professional audit organizations and a professional audit council in the process of carrying out auditing in the Republic of Kazakhstan.

Footnote. Preamble as amended by the Law of the Republic of Kazakhstan dated 03.07.2020 № 358-VI (shall come into effect one year after its first official publication).

Article 1. Basic concepts used in this Law

The following basic concepts shall be used in this Law:

1) accredited professional audit organization (hereinafter referred to as the Professional organization) - a non-profit organization that unites auditors and audit organizations;

2) accreditation - official recognition by the authorized state body of the powers of professional organizations provided for by this Law;

3) certification - the procedure for determining the knowledge and skills of candidates for auditors by the Qualification Commission;

4) audit - verification to express an independent opinion on financial statements and other information related to financial statements, in accordance with the legislation of the Republic of Kazakhstan;

5) auditor - an individual certified by the Qualification Commission for the attestation of candidates for auditors (hereinafter referred to as the Qualification Commission), who has received a qualification certificate of "auditor" qualification;

6) an audit report is a written or electronic official document that is the result of an audit;

7) auditing activities - entrepreneurial activities for conducting an audit of financial statements and other information related to financial statements, and providing services in accordance with this Law;

7-1) professional council for auditing (hereinafter referred to as the Professional council) - a non-profit organization without membership, established by a professional organization (professional organizations);

8) audit organization - a commercial organization established to carry out auditing and which is a member of a professional organization;

9) audited entity - a legal entity, branches and (or) representative offices of a legal entity acting on its behalf, an individual entrepreneur in respect of which an audit, tax audit, audit of other information is being carried out;

10) Code of Ethics - a set of ethical rules for the professional activities of auditors, audits and professional organizations, published by the International Federation of Accountants and applied in the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting;

11) unreliable audit report - an audit report drawn up in violation of the legislation of the Republic of Kazakhstan on auditing, containing false and (or) incomplete information about financial statements and information provided for by audit standards, misleading users;

12) audit of information on the costs of a subsoil user - an audit of the costs of a subsoil user for exploration and production of minerals;

12-1) objects of external quality control of the professional council - audit organizations that audit issuers whose securities are included or are planned to be included in the official list of stock exchanges operating in the territory of the Republic of Kazakhstan, as well as financial organizations (except for legal entities that carry out activities exclusively through exchange offices based on a license from the National Bank of the Republic of Kazakhstan for exchange operations with foreign currency in cash, and legal entities whose exclusive activity is the collection of banknotes, coins and valuables), national managing holdings, national holdings, national companies, subsoil users (except for mining common minerals);

13) special-purpose audit of subjects of the quasi-public sector - an audit on the use of budgetary funds;

14) deliberately unreliable audit report - an audit report drawn up without an audit or containing an opinion that deliberately misleads users;

15) conflict of interest - a situation in which the interest of an audit organization may affect its opinion on the reliability of the financial statements of the audited entity;

16) audit of other information – verification carried out in accordance with the laws of the Republic of Kazakhstan “On Banks and Banking Activities in the Republic of Kazakhstan,” “On Insurance Activities,” “On Securities Market,” processes and information unrelated to financial statements, with respect to the assessment of the risk management and internal

control system, including with respect to strategy and business model, assessment of the corporate governance system, assessment of the information technology risk management system, assessment of the efficacy of the information security system, as well as the efficacy of the internal control system in combating legalization (laundering) of proceeds from crime and financing of terrorism;

17) audit report on the audit of other information - a report drawn up based on the results of the audit of other information;

17-1) non-practising expert - an individual who is not a founder (participant) or employee of an audit organization and not in civil law relations with it for at least one calendar year before an appointment and during the period of work in the bodies of the professional council ;

18) audit on taxes - an audit on the correctness of the calculation and payment of all types of taxes and other mandatory payments to the budget, the completeness and timeliness of the calculation, deduction and transfer of mandatory pension contributions, mandatory professional pension contributions, the completeness and timeliness of the calculation and payment of social contributions, conducted in the manner determined by the authorized state body;

19) audit report on taxes - a report drawn up based on the results of an audit on taxes;

20) unreliable audit report on taxes - a report drawn up by an audit organization in violation of the legislation of the Republic of Kazakhstan, containing false and (or) incomplete information on the correctness of the calculation and payment of taxes and other mandatory payments to the budget, the completeness and timeliness of the calculation, deduction and transfer of mandatory pension contributions, mandatory professional pension contributions, completeness and timeliness of the calculation and payment of social contributions, as well as an opinion drawn up without an audit on taxes or containing a deliberately misleading opinion;

21) authorized state body (hereinafter referred to as the Authorized body) - the central executive body that regulates the field of auditing and state control in the field of auditing and the activities of professional organizations;

22) standards of organizations - internal documents of an audit organization that establish uniform requirements for the procedure for conducting an audit that do not contradict the legislation of the Republic of Kazakhstan;

23) international auditing standards (hereinafter referred to as the Auditing standards) - standards and documents published by the International Federation of Accountants.

Footnote. Article 1 as amended by the Law of the Republic of Kazakhstan dated 13.05.2020 № 325-VI (shall come into effect six months after the day of its first official publication); as amended by the Law of the Republic of Kazakhstan dated 03.07.2020 № 358-VI (shall come into effect after one year from the date of its first official publication); dated

09.01.2026 № 256-VIII (shall be enforced six months after the day of its first official publication).

Article 2. Legislation of the Republic of Kazakhstan on audit activity

1. Legislation of the Republic of Kazakhstan on audit activity is based on the Constitution of the Republic of Kazakhstan and consists of this Law and other regulatory legal acts of the Republic of Kazakhstan.

2. If international treaty, ratified by the Republic of Kazakhstan establishes other rules than those, contained in the legislation of the Republic of Kazakhstan on audit activity, the rules of international treaty shall be applied.

Article 3. Audit activity

1. Audit organizations, having a license on carrying out the audit activity shall enjoy the right to engage in audit activity

2. Auditing organizations may also provide the following services:

- 1) related and other services in accordance with audit standards;
- 2) restoration and maintenance of business accounting, drawing up of financial reporting;
- 3) internal audit;
- 4) counseling on the issues of applying the legislation on taxes and other compulsory payments in budget and maintenance of tax accounting;
 - 4-1) carrying out of audit on taxes and drawing up of an auditor's report on taxes;
 - 4-2) carrying out of special purpose audit of quasi-public sector entities;
 - 4-3) audit of information on subsoil user expenses;
 - 4-4) audit of other information and preparation of an auditor's report on the audit of other information;
- 5) formation of primary statistics;
- 6) analysis of financial and economic activity and financial planning, economic, financial and management counseling;
- 7) counseling on the issues of maintenance of business accounting and drawing up of financial reporting;
- 8) training on maintenance of business accounting and drawing up of financial reporting, assessed taxation, audit and analysis of financial and economic activity and financial planning ;
- 9) recommendation on automatization of maintenance of business accounting and drawing up of financial reporting, training of automated maintenance of business accounting and drawing up of financial reporting;

10) development of methodological manuals and recommendations for accounting and financial reporting, audit, analysis of financial and economic activities and financial planning, provision of related services in accordance with audit standards, as well as their distribution;

11) legal services, linked with audit activity;

12) is excluded by Law of the Republic of Kazakhstan № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure).

If in accordance with the Law of the Republic of Kazakhstan "On Permissions and Notifications", the provision of certain types of services provided for in this paragraph requires obtaining permits or sending notifications, audit organizations shall not be entitled to provide these services without permits or notifications.

3. Audit organizations shall be prohibited to engage in other types of entrepreneurial activity.

Footnote. Article 3 as amended by Laws of the Republic of Kazakhstan № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure); № 258-IV dated 19.03.2010; № 203-V dated 16.05.2014 (shall be enforced upon expiry of six months after the day its first official publication); № 269-V dated 29.12.2014 (shall be enforced from 01.01.2015); № 393-V dated 12.11.2015 (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 27.12.2017 № 126-VI (shall be enforced upon the expiration of six months after the date of its first official publication); dated 02.07.2018 № 168-VI (shall be enforced dated 01.01.2019); № 325-VI dated 13.05.2020 (shall come into effect six months after the day of its first official publication); dated 06.04.2024 № 71-VIII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

Article 3-1. Objectives and tasks of regulation in the field of auditing activity

1. The objectives of regulation in the field of auditing activity shall be the development of auditing activity in the Republic of Kazakhstan and the creation of conditions for the quality of audit services.

2. The tasks of regulation in the field of auditing activity:

1) establishing the legal bases for auditing activity;

2) determining the main directions of auditing activity;

3) protecting the rights and legitimate interests of individuals and legal entities, the state in the field of auditing activity;

4) creating conditions for improving the professional competencies of auditors.

Footnote. The law has been supplemented by Article 3-1 in accordance with the Law of the Republic of Kazakhstan dated 01.07.2024 № 107-VIII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

Article 4. Main principles of audit activity and standards of an audit

1. Main principles of audit activity are:

independence;

objectivity;

professional competence;

confidentiality;

honesty;

compliance with the standards of organizations.

2. The audit shall be carried out in accordance with this Law and auditing standards that shall not contradict the legislation of the Republic of Kazakhstan. Auditing Standards may be published in Kazakh and Russian languages by an organization that has written permission for their official translation and (or) publication in the Republic of Kazakhstan from the International Federation of Accountants.

When conducting an audit of the organizations, specified in paragraphs four, five, six, eight and eleven of part one of paragraph 2 of Article 5 of this Law, the audit organization shall check the information contained in the financial statements for compliance with the requirements of international financial reporting standards and regulatory legal acts of the National Bank of the Republic of Kazakhstan, an authorized body for regulation, control and supervision of the financial market and financial organizations, developed in accordance with international financial reporting standards.

3. The audit on taxes is carried out at the initiative of the audit subject in accordance with the legislation of the Republic of Kazakhstan.

4. The special purpose audit of the quasi-public sector entities is carried out in accordance with the legislation of the Republic of Kazakhstan.

5. The audit of other information shall be carried out at the request of the authorized body for regulation, control and supervision of the financial market and financial organizations in accordance with the legislation of the Republic of Kazakhstan.

Footnote. Article 4 as amended by Laws of the Republic of Kazakhstan № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure); № 269-V dated 29.12.2014 (shall be enforced from 01.01.2015); № 393-V dated 12.11.2015 (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 02.07.2018 № 168-VI (for the procedure of implementation, see Article 2); dated 03.07.2019 № 262-VI (shall be enforced from 01.01.2020); № 325-VI dated 13.05.2020 (shall come into effect six months after the day of its first official publication).

Article 5. Audit and its types

1. The types of audits are:

1) compulsory audit;

2) initiative audit.

2. Subject to compulsory audit:

joint stock companies;

state enterprises on the basis of economic management with supervisory board in education and health care areas;

insurance (reinsurance) organizations, insurance holdings and organizations in which the insurance (reinsurance) organization and (or) insurance holding are the major participants, insurance broker;

endowment funds;

unified accumulative pension fund and professional participants of the securities market, established in the legal form of a joint stock company;

major participants of the investment portfolio manager;

in cases stipulated by the Code of the Republic of Kazakhstan "On Subsoil and Subsoil Use", legal entities having the right to conduct operations on exploration and production of hydrocarbons or exploration and production of solid minerals;

banks, organizations in which the bank shall be a major participant, bank holdings;

organizations of civil aviation, except for airline companies, carrying out the aviation works according to the list, determined by the Government of the Republic of Kazakhstan;

cereal receiving stations;

insurance payment guarantee fund;

social medical insurance fund;

legal entities of the Republic of Kazakhstan, concluded the contract on carrying out of investments, providing investment preferences;

special financial companies in accordance with the Law of the Republic of Kazakhstan: "On project financing and securitization";

developers and authorized companies in accordance with the Law of the Republic of Kazakhstan "On Shared Participation in Housing Construction";

accounting and finance centre on maintenance of renewable energy sources in accordance with the Law of the Republic of Kazakhstan "On maintenance of using the renewable energy sources";

a single operator for the distribution of extra-budgetary funds aimed at the development of physical culture and sports;

wholesale consumers of electric energy (industrial facilities) included in the list of consumers of the wholesale electric energy market purchasing electric energy at the investment tariff;

authorized economic operators in accordance with the Code of the Republic of Kazakhstan "On Customs Regulation in the Republic of Kazakhstan";

limited liability partnership with simultaneous fulfillment of the following conditions:

1) in its composition there are participants (founders) owning less than ten percent of shares in the authorized capital;

2) the average annual number of employees is more than two hundred and fifty people and (or) the average annual income is over a three-million-fold monthly calculated index established by the law on the republican budget and effective on January 1 of the corresponding fiscal year.

An audit of annual financial statements for a limited liability partnership relating to a medium-sized business entity is carried out at the request of the participant (founder) owning less than ten percent of the shares in the charter capital of the limited liability partnership.

Organizations for which an audit is mandatory and which, in accordance with the legislation of the Republic of Kazakhstan, publish annual financial statements in the mass media, shall be obliged to publish an audit report with the annual financial statements.

The requirements of this paragraph do not apply to joint-stock companies declared bankrupt by the court, as well as to the banks, insurance (reinsurance) organizations, that have been deprived of a license by the authorized body for regulation, control and supervision of the financial market and financial organizations and (or) are in the process of forced liquidation.

3. Initiative audit shall be conducted at the initiative of audited subject or its participant in recognition of specified tasks, terms and volumes of audit, provided by the agreement on conducting the audit between an initiator and audit organization.

Footnote. Article 5 as amended by Laws of the Republic of Kazakhstan № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure); № 183-IV dated 11.07.2009 (see Article 2 for the enactment procedure); № 338-IV dated 15.07.2010 (see Article 2 for the enactment procedure); № 414-IV dated 01.03.2011 (shall be enforced from the date of its first official publication); № 524-IV dated 28.12.2011 (shall be enforced upon expiry of ten calendar days after its first official publication); № 539-IV dated 12.01.2012 (shall be enforced upon expiry of ten calendar days after its first official publication); № 106-V dated 21.06.2013 (shall be enforced upon expiry of ten calendar days after its first official publication); № 128-V dated 04.07.2013 (shall be enforced upon expiry of ten calendar days after its first official publication); № 269-V dated 29.12.2014 (shall be enforced from 01.01.2015); № 312-V dated 05.05.2015 (shall be enforced upon expiry of ten calendar days after the day its first official publication); № 406-V dated 16.11.2015 (shall be enforced from 01.01.2017); № 487-V dated 07.04.2016 (shall be enforced upon expiry of six months after the day its first official publication); № 49-VI dated 27.02.2017 (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 26.12.2017 № 124-VI (shall be enforced 01.01.2018); dated 27.12.2017 № 126-VI (shall be enforced upon the expiration of six months after the day of its first official publication); dated 02.07.2018 № 168-VI (procedure for enactment see Article 2); dated 03.07.2019 № 262-VI (shall be enforced from 01.01.2020); № 325-VI dated 13.05.2020 (shall come into effect six months after the day of its first official publication); dated 05.01.2021 № 409-VI (shall enter into force from 01.01.2022); dated 12.07.2022 № 138-VII (shall enter into force upon expiry of

sixty calendar days after the day of its first official publication); dated 12.06.2025 № 194-VIII (shall enter into force upon expiry of ten calendar days after the day of its first official publication); dated 30.06.2025 № 200-VIII (shall come into effect upon expiry of sixty calendar days after the date of its first official publication); dated 16.03.2026 № 270-VIII (shall be enforced ten calendar days after the day of its first official publication).

Article 6. Competence of the Government of the Republic of Kazakhstan

Footnote. Article 6 is excluded by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 7. Competence of the authorized body

Authorized body shall:

1) form and implement state policy in the field of auditing activities;

1-1) maintain register of auditors;

1-2) develop and approve minimum requirements for audit organizations that conduct mandatory audits, in coordination with the authorized body for regulation, control and supervision of the financial market and financial organizations;

1-3) agree on the list of issues to be checked within the framework of the audit of other information, requirements for the content, terms of submission by the audit organization of the auditor's report on the audit of other information, requirements for auditors as part of an audit organization involved in the audit of other information, determined by the regulatory legal act of the authorized body for regulation, control and supervision of the financial market and financial organizations;

1-4) develop and approve regulatory legal acts of the Republic of Kazakhstan in the field of auditing activities in accordance with the objectives and tasks of this Law and the legislation of the Republic of Kazakhstan;

2) develop and confirm the procedure for accreditation of professional organizations;

3) conduct accreditation and maintain register of professional organizations;

4) develop, coordinate with the authorized body in the field of permissions and notifications and the authorized body in the field of digitalization and approve a regulatory legal act on the approval of qualification requirements for licensing audit activities and a list of documents confirming compliance with them;

5) carry out licensing if audit activity and maintenance of register of audit organizations;

6) publish in the media in the Kazakh and Russian languages the information on the issuance, suspension, deprivation and termination of a license to carry out auditing;

7) Is excluded by the Law of the Republic of Kazakhstan dated 01.07.2024 № 107-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

8) confirm the Rules of formation and carrying out of the activity of Qualifications commission;

9) ensure conditions for distribution of the standards of an audit;

9-1) delegate a representative to the board of the professional council;

9-2) is excluded by the Law of the Republic of Kazakhstan dated 01.07.2024 № 107-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

9-3) is excluded by the Law of the Republic of Kazakhstan dated 01.07.2024 № 107-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

10) – 12) are excluded by Law of the Republic of Kazakhstan № 188-IV dated 17.07.2009 (see Article 2 for the enactment procedure);

13) Develop and confirm the list, forms and periodicity of the representing the reporting by professional and audit organizations;

14) Is excluded by Law of the Republic of Kazakhstan № 188-IV dated 17.07.2009 (see Article 2 for the enactment procedure);

14-1) monitor compliance by audit organizations with the legislation of the Republic of Kazakhstan on combating legalization (laundering) of proceeds from crime and financing of terrorism;

15) confirm the forms of registers of audit and professional organizations;

16) Is excluded by Law of the Republic of Kazakhstan № 159-V dated 13.01.2014 (shall be enforced upon expiry of ten calendar days after the date of its first official publication);

17) carry out the state control in the field of audit activity and the activity of professional audit organizations;

18) Is excluded by Law of the Republic of Kazakhstan № 269-V dated 29.12.2014 (shall be enforced from 01.01.2015);

18-1) determine the procedure for auditing on taxes and submission of an audit report on taxes;

18-2) determine the list of audit organizations (auditors), as well as the audit organization (auditor) from the list of audit organizations (auditors) in compliance with the principles of priority and regional representation for participation in the audit and giving an opinion at the relevant request or request of the prosecution authority, resolution, issued as part of the initiated pre-trial investigation, as well as a court ruling in accordance with the Law of the Republic of Kazakhstan "On Public Procurement";

18-3) defines organizations with the participation of the state for which an audit is mandatory, unless otherwise provided by legislative acts of the Republic of Kazakhstan;

19) carry out other powers, provided by this Law, other Laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and Government of the Republic of Kazakhstan.

Footnote. Article 7 as amended by Laws of the Republic of Kazakhstan № 222 dated 12.01.2007 (shall be enforced upon expiry of 6 months from the date of its official

publication); № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure); № 188-IV dated 17.07.2009 (see Article 2 for the enactment procedure); № 192-IV dated 28.08.2009 (shall be enforced from 08.03.2010); № 258-IV dated 19.03.2010; № 378-IV dated 06.01.2011 (shall be enforced upon expiry of ten calendar days after its first official publication); № 452-IV dated 05.07.2011 (shall be enforced from 13.10.2011); № 461-IV dated 15.07.2011 (shall be enforced from 30.01.2012); № 30-V dated 05.07.2012 (shall be enforced upon expiry of ten calendar days after its first official publication); № 36-V dated 10.07.2012 (shall be enforced upon expiry of ten calendar days after its first official publication); № 159-V dated 13.01.2014 (shall be enforced upon expiry of ten calendar days after the date of its first official publication); № 206-V dated 10.06.2014 (shall be enforced upon expiry of ten calendar days after the date of its first official publication); № 239-V dated 29.09.2014 (shall be enforced upon expiry of ten calendar days after the day its first official publication); № 269-V dated 29.12.2014 (shall be enforced from 01.01.2015); dated 02.07.2018 № 168-VI (for the procedure of implementation see Article 2); dated 03.07.2019 № 262-VI (shall be enforced from 01.01.2020); № 358-VI dated 03.07.2020 (refer to Article 2 for the procedure for enactment); dated 24.11.2021 № 75-VII (shall come into effect upon the expiration of ten calendar days after the day of its first official publication); dated 19.04.2023 № 223-VII (shall be enforced ten calendar days after the date of its first official publication); dated 01.07.2024 № 107-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 09.01.2026 № 256-VIII (shall be enforced six months after the day of its first official publication).

Article 7-1. State control in the field of auditing and activities of professional organizations

1. State control in the field of auditing and activities of professional organizations shall be carried out by the authorized body within its competence established by the legislation of the Republic of Kazakhstan.

2. State control in the field of auditing activities and the activities of professional organizations shall be carried out in the form of inspection and preventive control with a visit to the subject (object) of control in accordance with the Entrepreneurial Code of the Republic of Kazakhstan.

Footnote. Article 7-1 as amended by the Law of the Republic of Kazakhstan dated 13.05.2020 № 325-VI (shall come into effect six months after the day of its first official publication); dated 06.04.2024 № 71-VIII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

Article 8. An auditor

1. An auditor shall carry out his (her) activity as an auditor only being in one audit organization.

2. An auditor may be a participant of only one audit organization.

Footnote. Article 8 as amended by Law of the Republic of Kazakhstan № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure).

Article 9. Audit organization

1. Audit organization shall be created in legal organizational form of a limited liability partnership.

2. Foreign organization shall be recognized as audit, if its status is confirmed by professional organization of a country, the resident of which it is.

Professional organization, confirming the status of foreign audit organization shall be a member of International Accountant Federation.

Foreign organization shall be recognized as audit as well, if its status is confirmed by the competence body of the state, the resident of which it is.

3. Foreign audit organization may carry out audit activity in the Republic of Kazakhstan only upon formation of the relevant audit organizations by them – residents of the Republic of Kazakhstan.

4. The quantity of auditors in composition of audit organization shall be no less than two persons.

5. In a charter capital of audit organization, the share belonged to an auditor (auditors) and (or) foreign audit organizations shall be one hundred percent.

6. A head of audit organization shall be obliged to have qualification certificate “auditor”.

An auditor previously headed audit organization that in accordance with the legislative acts of the Republic of Kazakhstan was deprived of a license, may not be the head of other audit organization within one year from the date of enforcement of court decision on deprivation of a license.

7. Audit organization, carrying out audit activity in the territory of the Republic of Kazakhstan may not be participant of other audit organization – a resident of the Republic of Kazakhstan.

8. In case of creation of a branch in the territory of the Republic of Kazakhstan, the head of branch shall be obliged to have qualification certificate “auditor”.

Footnote. Article 9 as amended by Laws of the Republic of Kazakhstan № 222 dated 12.01.2007 (shall be enforced upon expiry of 6 months from the date of its official publication); № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure).

Article 10. Professional organizations

1. Accreditation of a professional organization is confirmed by an accreditation certificate in a form approved by the authorized body in consultation with the authorized body for

permits and notifications and the authorized body for digitalization. The accreditation certificate shall be valid throughout the Republic of Kazakhstan.

2. Professional organizations are non-commercial organizations and shall act on the basis of a charter, adopted at the general meeting of their members.

3. Structure and working bodies of professional organizations, meeting the order of accreditation of professional organizations, shall be determined by their charters.

4. Incorporators and participants of professional organizations may be only auditors and audit organizations. The auditors and audit organizations shall act as members of only one professional organization.

Auditors – members of professional organization shall have the right to elect and be elected in their managing bodies.

5. Is excluded by Law of the Republic of Kazakhstan № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure).

Footnote. Article 10 as amended by Laws of the Republic of Kazakhstan № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure); № 203-V dated 16.05.2014 (shall be enforced upon expiry of six months after the day its first official publication); dated 24.11.2021 № 75-VII (shall come into effect upon the expiration of ten calendar days after the day of its first official publication); dated 09.01.2026 № 256-VIII (shall be enforced six months after the day of its first official publication).

Article 11. Rights and obligations of professional organizations

1. Professional organizations shall have the right to:

1) excluded by the Law of the Republic of Kazakhstan dated 03.07.2020 № 358-VI (shall come into effect after one year from the date of its first official publication);

2) excluded by the Law of the Republic of Kazakhstan dated 03.07.2020 № 358-VI (shall come into effect after one year from the date of its first official publication);

2-1) conduct training courses for candidates for auditors;

3) analyze, generalize and distribute work experience of auditors and audit organizations;

4) represent the interests of auditors and audit organizations in the state, public, foreign and international organizations;

5) consider the disputes of auditors, audit organizations, being their participants, linked with carrying out of audit activity;

6) conduct rate of audit organizations and publish in periodical printed publications;

7) participate in the work of international organizations on business accounting and audit;

8) develop, issue and distribute study materials, methodological recommendations, periodical printed publications in the field of audit activity;

9) give recommendations on the standards of an audit and other issues of audit activity;

10) exclude the persons, admitted violations of the standards of an audit and code of ethics, following the results of conducted external quality control;

11) develop and confirm education programs of raising of qualification of auditors.

2. Professional organizations shall be obliged to:

1) comply with the legislation of the Republic of Kazakhstan on audit activity, standards of an audit, code of ethics;

1-1) to carry out external quality control of audit organizations that are not objects of external quality control of the professional council, in accordance with this Law;

2) excluded by the Law of the Republic of Kazakhstan dated 03.07.2020 № 358-VI (shall come into effect after one year from the date of its first official publication).

3) ensure own members by regulatory legal acts of the Republic of Kazakhstan in the field of audit activity;

4) excluded by the Law of the Republic of Kazakhstan dated 13.05.2020 № 325-VI (shall come into effect six months after the day of its first official publication);

4-1) enable development of an audit, raising of its efficiency, organization and coordination of the activity of auditors and audit organizations;

5) ensure compliance with requirements of the standards of an audit, code of ethics by auditors and audit organizations;

5-1) ensure the passage of advanced training courses for auditors, upon completion of which certificates of completion of courses are issued, in the manner determined by the authorized body;

6) is excluded by Law of the Republic of Kazakhstan № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure);

7) is excluded by Law of the Republic of Kazakhstan № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure);

8) in case of admission (departure, exclusion) of members, as well as changes in the personal composition of the working management body, to report these changes within fifteen working days to the authorized body;

9) is excluded by the Law of the Republic of Kazakhstan № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure);

10) provide information on own activity in the authorized body in the manner, established by the legislation of the Republic of Kazakhstan.

Footnote. Article 11 as amended by Law of the Republic of Kazakhstan № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure); № 325-VI dated 13.05.2020 (shall come into effect six months after the day of its first official publication); dated 03.07.2020 № 358-VI (shall come into effect one year after its first official publication); dated 06.04.2024 № 71-VIII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

Article 12. Deprivation of certificate on accreditation

1. Professional organization shall be deprived of certificate on accreditation in case, if;

1) is excluded by Law of the Republic of Kazakhstan № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure).

2) excluded by the Law of the Republic of Kazakhstan dated 03.07.2020 № 358-VI (shall come into effect after one year from the date of its first official publication);

3) ten percent of average quantity, but no less than five audit organizations - members of professional organization were deprived of a license on carrying out of audit activity within twelve calendar months without the application from the side of such professional organization;

4) it violated the Rules of accreditation systematically (more than two times in a row) within a year;

5) it provided deliberately misleading information in the authorized body about itself and its activity;

6) within three months the reason for which the warning letter of the authorized body was issued has not been eliminated;

7) excluded by the Law of the Republic of Kazakhstan dated 13.05.2020 № 325-VI (shall come into effect six months after the day of its first official publication);

8) excluded by the Law of the Republic of Kazakhstan dated 03.07.2020 № 358-VI (shall come into effect after one year from the date of its first official publication);

2. Professional organizations have the right to appeal against the decision of the authorized body in the manner prescribed by the laws of the Republic of Kazakhstan.

Footnote. Article 12 as amended by Laws of the Republic of Kazakhstan № 222 dated 12.01.2007 (shall be enforced upon expiry of six months from the date of its official publication); № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure); № 393-V dated 12.11.2015 (shall be enforced upon expiry of ten calendar days after the day its first official publication); № 325-VI dated 13.05.2020 (shall come into effect six months after the day of its first official publication); dated 29.06.2020 № 351-VI (shall come into effect from 01.07.2021); dated 03.07.2020 № 358-VI (shall come into effect one year after its first official publication).

Article 13. Attestation of candidates for assumption of qualification “auditor”

1. Persons, having higher education and labour experience no less than three years in economic, financial, auditing or legal scopes or in the field of scientific and teaching activity on business accounting and audit in higher educational establishments shall be admitted to attestation.

2. Attested persons shall receive qualification certificate on assumption of qualification “auditor” and personal stamp of auditor (hereinafter – personal stamp) with specification of number of qualification certificate, last name, own first name, as well as patronymic at will.

The decision on assigning the qualification of "auditor" shall be published in Kazakh and Russian on the Internet resource of the professional council, the authorized body, and is also posted in the financial reporting depository.

3. Persons who have not passed the certification exam shall be allowed to take it again after three months from the date of the decision of the Qualification commission.

Footnote. Article 13 as amended by Law of the Republic of Kazakhstan № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure); № 325-VI dated 13.05.2020 (shall come into effect six months after the day of its first official publication); dated 06.04.2024 № 71-VIII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication); dated 09.01.2026 № 256-VIII (shall be enforced six months after the day of its first official publication).

Article 13-1. Professional Council

1. The professional council shall act in accordance with the charter approved by its founders in accordance with the legislation of the Republic of Kazakhstan.

2. The property of the professional council shall be formed from one-time or regular receipts from audit organizations that conduct mandatory audits, professional organizations, as well as from sources provided for by the legislation of the Republic of Kazakhstan and corresponding to the goals of the professional council.

3. The property transferred to the professional council by its founders shall be the property of the professional council.

The founders of the professional council shall not have property rights to the property of the professional council.

4. The highest management body of the professional council shall be the board of the professional council (hereinafter referred to as the Board), which is responsible for making decisions on the activities of the professional council, determined by the laws of the Republic of Kazakhstan, the charter of the professional council and internal documents of the professional council.

5. The Board shall consist of the following representatives:

- 1) professional organizations - in equal numbers;
- 2) authorized body (the head or his/her deputy for issues related to the implementation of state regulation in the field of auditing, who is the chairman of the board);
- 3) JSC "Kazakhstan Stock Exchange" - on issues related to the audit;
- 4) Astana International Financial Center;
- 5) higher educational institutions and (or) scientific organizations;
- 6) as well as an independent director who has an "auditor" qualification certificate and (or) one of the international audit certificates recognized by the International Federation of Accountants.

6. The number of board members should be odd, and the number of representatives of professional organizations should be no more than one-third of the total number of board members. The board shall be headed by a chairman.

7. No remuneration shall be paid to representatives of the board.

8. The exclusive competence of the board shall include:

1) approval of internal documents of the professional council, including the procedure for the formation of property of the professional council;

2) approval of nominated candidates for the executive bodies of the professional council;

3) monitoring the compliance of the activities of the professional council with the statutory goals;

4) determination of the direction of activity of the professional council to develop auditing and improve the quality of audit services;

5) coordination of the program of attestation of candidates for auditors;

6) approval of the requirements for the objects of external quality control of the professional council;

7) coordination of the procedure for conducting external quality control of audit organizations;

8) consideration and issuance of recommendations on petitions submitted by the quality control committee of the professional council to exclude the audit organization from membership in the professional organization;

9) coordination of the results of the external quality control of the activities of the objects of external quality control of the professional council;

10) consideration of appeals concerning professional organizations, audit organizations and auditors;

11) approval of annual reporting on the activities of the professional council;

12) approval of the rules for the implementation of the activities of the appeal commission of the professional council;

13) consideration and approval of the results of control carried out by checking auditing and professional organizations for compliance with the procedure for conducting external quality control of audit organizations, in cases where there are no objections to them and (or), there is a decision of the appeal commission.

The Board shall have the right to accept for consideration any issue related to the activities of the professional council.

9. The professional council shall not be entitled to create branches and representative offices.

10. The executive bodies of the professional council shall be the quality control committee of the professional council, the Qualification commission, the executive collegial body, and other bodies approved by the board.

11. The professional council shall send annual reports on activities to the authorized body and the authorized body for regulation, control and supervision of the financial market and financial organizations no later than thirty calendar days from the date of its approval by the board.

12. The executive collegiate body, headed by the chairman, shall carry out the current management of the activities of the professional council in accordance with the charter of the professional council.

13. Information about the activities of the professional council and its executive bodies must be open and publicly available.

Footnote. The Law is supplemented by Article 13-1 in accordance with the Law of the Republic of Kazakhstan dated 03.07.2020 № 358-VI (shall come into effect one year after its first official publication); dated 06.04.2024 № 71-VIII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

Article 13-2. The Quality Control Committee of the Professional Council

Footnote. The title of Article 13-2 is in the wording of the Law of the Republic of Kazakhstan dated 06.04.2024 № 71-VIII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

1. The quality control committee of the professional council includes at least two non-practicing experts for a period of up to three years with at least ten years of experience in the field of auditing, and (or) may include non-practicing experts with experience in the field of auditing for at least five years, having a qualification certificate “auditor” and (or) one of the international certificates in the field of auditing recognized by the International Federation of Accountants, and who have not been held accountable for violating the requirements of the legislation of the Republic of Kazakhstan on auditing activities.

2. The exclusive competence of the control committee of the professional council includes :

1) exercising control by checking the objects of external quality control of the professional council for compliance with the requirements for the objects of external quality control of the professional council, approved by the board;

2) conducting external quality control of the objects of external quality control of the professional council;

3) submission to the board for approval of the results of the external quality control of the objects of external quality control of the professional council;

4) development and approval, in agreement with the board, of the procedure for conducting external quality control of audit organizations in accordance with the standard rules for conducting external quality control of audit organizations, including the criteria for audits of auditing and professional organizations approved by the authorized body;

5) placement of the results of the external quality control of the objects of external quality control of the professional council on the Internet resource of the professional council;

6) is excluded by the Law of the Republic of Kazakhstan dated 06.04.2024 № 71-VIII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication);

7) submission to the board of directors of a petition for the exclusion of an audit organization from membership in a professional organization;

8) exercising control by conducting an audit of auditing and professional organizations for compliance with the procedure for conducting external quality control of audit organizations, except for the case provided for in subparagraph 1) of this paragraph.

3. Information constituting a trade secret obtained by the quality control committee during external quality control of audit organizations shall not be subject to disclosure, except as provided by the laws of the Republic of Kazakhstan.

Footnote. The law is supplemented by Article 13-2 in accordance with the Law of the Republic of Kazakhstan dated 03.07.2020 № 358-VI (shall come into effect one year after its first official publication); dated 06.04.2024 № 71-VIII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

Article 14. Qualification Commission

1. The Qualification Commission shall consist of a representative of the authorized body and an equal number of representatives from professional organizations, while the composition of the Qualification Commission must consist of an odd number of its members. The Qualification Commission may also include non-practising experts.

2. An auditor with experience in the field of auditing shall be elected as the Chairman of the Qualification Commission.

The Chairman of the Qualification Commission shall be elected by a simple majority vote of the members of the Qualification Commission for a term of three years. The same person may not be elected chairman twice in a row.

3. A person who has been held accountable for committing a corruption offence may not be elected as the Chairman of the Qualification Commission.

4. The Qualification Commission shall develop, approve, and coordinate with the board a program for certification of auditor candidates, which must comply with international financial reporting standards issued by the Foundation for International Financial Reporting Standards, auditing standards, and the legislation of the Republic of Kazakhstan.

5. In case of violation of the procedure for attestation of candidates for auditors, the authorized body has the right to appeal the decision of the Qualification Commission to the court.

Footnote. Article 14 - as amended by the Law of the Republic of Kazakhstan dated 03.07.2020 № 358-VI (shall come into effect after one year from the date of its first official publication); dated 06.04.2024 № 71-VIII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

Article 15. Deprivation of qualification certificate “auditor”

Deprivation of qualification certificate “auditor” shall be carried out in the manner, established by the Code of the Republic of Kazakhstan on administrative infractions.

The decision to revoke the qualification certificate of "auditor" by the authorized body shall be sent to professional organizations and published in Kazakh and Russian on its Internet resource, and is also posted in the financial reporting depository.

Persons that were deprived of qualification certificate “auditor” shall be admitted to repeated attestation no sooner than after three years.

Footnote. Article 15 is in the wording of Law of the Republic of Kazakhstan № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure); as amended by the Law of the Republic of Kazakhstan dated 03.07.2020 № 358-VI (shall enter into force upon expiry of one year from the date of its first official publication); dated 09.01.2026 № 256-VIII (shall be enforced six months after the day of its first official publication).

Article 16. Licensing of audit activity

1. Audit activity is subject to licensing in accordance with the procedure established by the legislation of the Republic of Kazakhstan “On Permissions and Notifications”.

2. The license is terminated only in cases stipulated by the Law of the Republic of Kazakhstan "On Permissions and Notifications".

3. Suspension of validity and deprivation of a license shall be carried out in the manner, established by the Code of the Republic of Kazakhstan on administrative infractions.

4. In case of termination of a license, including its deprivation, audit organizations, within ten working days from the date of the decision to terminate the license, including its deprivation, shall be obliged to return the license to the authorized body, with the exception of cases when the license was issued in electronic form.

Upon deprivation of a license, the term shall be calculated from the date of enforcement of court decree.

5. The application on issuance of a license by audit organization which in accordance with the legislative acts of the Republic of Kazakhstan was deprived of a license shall be considered no sooner than after one year.

Footnote. Article 16 is in the wording of Law of the Republic of Kazakhstan № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure); as amended by the Law of the Republic of Kazakhstan № 203-V dated 16.05.2014 (shall be enforced upon expiry of six months after the day its first official publication); dated 06.04.2024 № 71-VIII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

Article 17. Agreement for audit, tax audit, audit of other information, related and other services in accordance with audit standards

Footnote. The heading of Article 17 as amended by the Law of the Republic of Kazakhstan dated 13.05.2020 № 325-VI (shall come into effect six months after the day of its first official publication).

1. Relations between audit organizations and audited subjects shall be built on the basis of agreement in accordance with the legislation of the Republic of Kazakhstan.

2. The contract for the audit and (or) the provision of related and other services in accordance with the audit standards provides for the object of a contract, the terms, amount and terms of payment, the rights, obligations and responsibilities of the parties, the confidentiality of the information received, as well as membership in a professional organization.

3. An agreement to conduct a statutory audit, an audit of taxes, an audit of other information and (or) related and other services in accordance with the audit standards of an audited entity must comply with the requirements established by the legislation of the Republic of Kazakhstan.

4. The information received by the auditor and (or) the audit organization during the execution of the contract for conducting an audit, tax audit, constitutes a commercial secret, except for information submitted to state revenue bodies, as well as information disclosed (transferred) in accordance with the Law of the Republic of Kazakhstan "On the return of illegally acquired assets to the state" to the authorized body on asset recovery.

Information received by the auditor and (or) the audit organization in the course of execution of the contract for the audit of other information constitutes a commercial secret, except for information provided with the consent of the audit organization's clients to the authorized body for regulation, control and supervision of the financial market and financial organizations.

Violation of the obligation to preserve information containing commercial secrets entails responsibility established by the laws of the Republic of Kazakhstan.

Footnote. Article 17 as amended by Laws of the Republic of Kazakhstan № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure; № 269-V dated 29.12.2014 (shall be enforced from 01.01.2015); № 168-VI dated 02.07.2018 (shall be enforced dated 01.01.2019) ; dated 03.07.2019 № 262-VI (shall be enforced from 01.01.2020); dated 13.05.2020 № 325-VI (shall come into effect six months after the day of its first official publication); dated 12.07.2023 № 23-VIII (shall be enforced sixty calendar days after the date of its first official publication).

Article 18. Audit report

1. Audit report shall be drawn up following the results of conducted audit and shall conform to requirements of this Law and standards of an audit.

Audit report shall contain independent opinion of an auditor-executer and audit organization on financial reporting and other information, linked with financial reporting, audited subject in accordance with requirements of the legislation of the Republic of Kazakhstan.

2. The audit report, prepared in writing, shall be signed by the auditor, indicating the number and date of issue of the qualification certificate, certified with the auditor's personal seal, approved by the signature of the head of the audit firm, certified with the audit firm's seal, and subject to registration with the financial reporting depository within three working days of the audit report's preparation.

The electronic audit report shall be generated by the financial reporting depository. Registration of the electronic audit report with the financial reporting depository shall not be required.

For improper use and storage of personal stamp, an auditor shall bear responsibility in accordance with the Laws of the Republic of Kazakhstan.

3. In case of non-compliance of audit report with the legislation of the Republic of Kazakhstan or factual data, such report shall be recognized invalid under court decision.

Footnote. Article 18 as amended by Law of the Republic of Kazakhstan № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure); dated 09.01.2026 № 256-VIII (shall be enforced six months after the day of its first official publication).

Article 18-1. Special aspects of conducting audit of financial organization

A footnote. Article 18-1 shall be excluded by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon the expiration of ten calendar days after the day of its first official publication).

Article 18-2. Audit report on taxes

1. An audit report on taxes must comply with the requirements established by this Law and other normative legal acts.

2. The audit report on taxes shall be signed by the auditor-executor with indication of the number and date of issue of the qualification certificate, certified by his personal stamp, approved by the signature of the head of the audit organization and certified by the seal of the audit organization.

Footnote. The Law is supplemented by Article 18-2 in accordance with Law of the Republic of Kazakhstan № 269-V dated 29.12.2014 (shall be enforced from 01.01.2015).

Article 18-3. Special aspects of special purpose audit of quasi-public sector entities

1. The procedure for conducting a special purpose audit of subjects of the quasi-public sector and submitting an audit report on special purpose audit of subjects of the quasi-public sector shall be determined by the Higher Audit Chamber of the Republic of Kazakhstan in

agreement with the authorized bodies for internal state audit, state property management and the central authorized body for state planning.

The audit report on the special purpose audit of quasi-public sector entities is placed in a single database on state audit and financial control.

2. The audit report on the special purpose audit of the quasi-public sector entities shall be signed by the auditor-executor with indication of the number and date of issuance of the qualification certificate, certified by his personal seal, approved by the signature of the head of the audit organization and certified by the seal of the audit organization.

Footnote. The Law is supplemented by Article 18-3 in accordance with Law of the Republic of Kazakhstan № 393-V dated 12.11.2015 (shall be enforced upon expiry of ten calendar days after the day its first official publication); as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 № 157-VII (shall enter into force upon expiry of ten calendar days after the day of its first official publication).

Article 19. Quality control and its types

1. Quality control shall be aimed at compliance by auditors and audit organizations with the requirements of audit standards, the Code of Ethics and the legislation of the Republic of Kazakhstan on auditing and shall be carried out based on a risk-based approach.

2. Types of quality control shall be internal and external quality control.

Internal quality control shall be carried out by the audit organization independently in accordance with the auditing standards and the standards of organizations.

External quality control shall be carried out by a professional organization concerning audit organizations that are not objects of external quality control of a professional council, at least once every three years.

External quality control shall be carried out by the quality control committee concerning the objects of external quality control of the professional council at least once every three years.

At the same time, for audit organizations that have passed external quality control in the quality control committee of a professional council, passing external quality control in the working body of a professional organization shall not be required.

3. Unscheduled external quality control shall be carried out:

1) in case of receiving a request for actions (inaction) of auditors, audit organizations and professional organizations;

2) in case of disagreement with the results of the work of auditors and (or) audit organizations;

3) on the initiative of the objects of external quality control of the professional council;

4) on the initiative of the authorized body according to the received applications related to the activities of auditors, audit organizations and professional organizations.

The decision on the need to conduct unscheduled external quality control on the appeal to the actions (inaction) of auditors, audit organizations and professional organizations shall be taken after consideration of the actual data set out in the appeal.

4. Expenses for ongoing unscheduled external quality control in accordance with subparagraph 3) of paragraph 3 of this article shall be paid by the audit organization being audited.

The costs of unscheduled external quality control in accordance with subparagraphs 1), 2) and 4) of paragraph 3 of this article shall be paid by the individual or legal entity that sent the appeal. Submission of an appeal to the authorized body shall not exempt the person who sent the appeal from paying the costs of external quality control. In this case, if the facts stated in the appeal are confirmed, the costs shall be paid by the audited organization, and the payment shall be returned to the person who sent the appeal.

5. Professional organizations shall carry out external quality control of audit organizations in accordance with the procedure approved by the quality control committee.

6. The audit organization has the right to appeal the results of external quality control to the appeal commission of the professional council and (or) to the court.

The activities of the appeal commission of the professional council shall be carried out in accordance with the rules determined by the board.

Footnote. Article 19 - as amended by the Law of the Republic of Kazakhstan dated 03.07.2020 № 358-VI (shall come into effect after one year from the date of its first official publication); dated 06.04.2024 № 71-VIII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

Article 20. Rights and obligations of auditors

1. Auditors shall have the right to:

1) receive and verify the necessary accounting and other financial and economic documentation of the audit subject to fulfill the terms of the contract for audit, audit of taxes, special purpose audit of quasi-public sector entities;

1-1) enter into professional organization;

2) receive clarifications in oral and written forms on questions arising in the course of audit from civil servants of audited subject;

3) appeal decision of professional organizations in a judicial proceeding.

2. Auditors shall be obliged to:

1) comply with the legislation of the Republic of Kazakhstan on auditing, audit standards, the Code of Ethics;

1-1) take advanced training courses for auditors in accordance with the requirements of the rules for advanced training of auditors and receive a certificate of completion of advanced training courses for auditors;

2) not to disclose commercial secrets, except in cases provided for by the laws of the Republic of Kazakhstan

3) provide information on detected violations in maintenance of business accounting, financial reporting and other information, linked with financial reporting to the audited subject;

4) report to the head of the audit organization of which he is a member the information in accordance with the legislation of the Republic of Kazakhstan on combating legalization (laundering) of proceeds from crime and financing of terrorism;

5) to submit to the the head of the audit organization of which he is a participant, information in accordance with the Law of the Republic of Kazakhstan "On the return of illegally acquired assets to the state", including information constituting a commercial secret.

Footnote. Article 20 as amended by Laws of the Republic of Kazakhstan № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure); № 192-IV dated 28.08.2009 (shall be enforced from 08.03.2010); № 206-V dated 10.06.2014 (shall be enforced upon expiry of ten calendar days after the date of its first official publication); № 269-V dated 29.12.2014 (shall be enforced from 01.01.2015); № 393-V dated 12.11.2015 (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 13.05.2020 № 325-VI (shall come into effect six months after the day of its first official publication); dated 03.07.2020 № 358-VI (shall come into effect one year after its first official publication); dated 12.07.2023 № 23-VIII (shall be enforced sixty calendar days after the date of its first official publication).

Article 21. Rights and obligations of audit organizations

1. Audit organizations shall have the right to:

1) determine methods of conducting an audit on an independent basis;

2) to request and check the necessary accounting and other financial and economic documentation for the fulfillment of the terms of the contract for audit, tax audit, audit of special purpose subjects of quasi-public sector, audit of other information;

2-1) when conducting an audit on taxes, a special purpose audit of entities of the quasi-public sector, request information regarding the audited entity from state bodies, local executive bodies, banks, branches of non-resident banks of the Republic of Kazakhstan and organizations engaged in certain types of banking operations, as well as from other organizations in the manner prescribed by the legislation of the Republic of Kazakhstan;

2-2) request and verify the necessary records on the internal policy and procedures, risk management and internal control systems, information technology risk management systems, information security systems, corporate governance system, as well as the in-house control system in combating legalization (laundering) of proceeds from crime and financing of terrorism in order to fulfill the terms of the contract for auditing other information;

3) involve specialists of different profile in participation in conducting an audit, with the exception of persons, mentioned in Article 24 of this Law;

4) refuse to conduct audit, tax audit, audit of special purpose of quasi-public sector entities, audit of other information or issuance of audit report or auditor's report in case of violation by the audited entity of terms and conditions of audit agreement, tax audit, audit of special purpose of quasi-public sector entities, audit of other information;

5) verify documentation in full measure, linked with financial and economic activity of audited subject, as well as factual existence of a property, considered in this documentation.

2. Audit organizations shall be obliged to:

1) comply with the legislation of the Republic of Kazakhstan on auditing, audit standards, the Code of Ethics;

2) not to interfere with the conduct of external quality control or inspections conducted by an authorized body;

3) enter into professional organization within one month from the date of receiving a license on carrying out of audit activity or voluntary withdraw from professional organization, or exclusion from it;

4) enter into other professional organization within three months upon deprivation of accreditation of professional organization, the members of which they are;

5) not to disclose commercial secrets, except for the cases stipulated by the laws of the Republic of Kazakhstan;

6) provide information to audited subject on detected violations in maintenance of business accounting, financial reporting and other information, linked with financial reporting

In the case of auditing in state institutions, state enterprises, legal entities with state participation, special purpose audit of quasi-public sector entities, the audit organizations are also obliged to provide audit subjects with information on identified violations of the legislation of the Republic of Kazakhstan in using budgetary funds, loans, related grants, state assets and quasi-public sector entities, state and state-guaranteed loans, as well as loans attracted under the state guarantee;

7) inform the authorized body for regulation, control and supervision of the financial market and financial organizations with notifying the audited subjects on detected violations of the legislation of the Republic of Kazakhstan in the result of audit of financial organizations, organizations that are part of a banking conglomerate, organizations that are part of an insurance group, for which the conduct of audit is compulsory;

8) to provide reports to the authorized body in accordance with the qualification requirements for licensing, as well as information on insurance of its civil liability in the form approved by the authorized body;

8-1) update information on auditors operating as auditors within a given audit organization;

9) submit to the authorized body for regulation, control and supervision of the financial market and financial organizations, within the time limits established by the legislation of the Republic of Kazakhstan, an audit report on the audit of other information of a bank, an insurance (reinsurance) company, a branch of a non-resident bank of the Republic of Kazakhstan, a branch of an insurance (reinsurance) company - a non-resident of the Republic of Kazakhstan, a professional participant in the securities market;

9-1) to submit an audit report on taxes in the manner determined by the authorized body to the state revenue body at the location of the audit subject;

9-2) submit to the Higher audit chamber of the Republic of Kazakhstan an audit report on special purpose audit of subjects of the quasi-public sector in the manner determined by the Higher audit chamber of the Republic of Kazakhstan in agreement with the authorized bodies for internal state audit, state property management and the central authorized body for state planning;

10) report information to the financial monitoring authority in accordance with the Law of the Republic of Kazakhstan "On Combating Legalization (Laundering) of Proceeds from Crime and Financing of Terrorism";

11) comply with the requirements established by the legislation of the Republic of Kazakhstan on combating legalization (laundering) of proceeds from crime and financing of terrorism.

12) disclose (transfer) to the authorized body for asset recovery information in accordance with the Law of the Republic of Kazakhstan "On the return of illegally acquired assets to the state", including information constituting a commercial secret.

3. Illegal interference of state bodies, audited subjects and other third parties in the activity of audit organizations shall not be allowed.

Footnote. Article 21 as amended by Laws of the Republic of Kazakhstan № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure); № 192-IV dated 28.08.2009 (shall be enforced from 08.03.2010); № 338-IV dated 15.07.2010 (see Article 2 for the enactment procedure); dated 05.07.2011 № 452-IV (shall be enforced from 13.10.2011); № 461-IV dated 15.07.2011 (shall be enforced from 30.01.2012); № 19-V dated 21.06.2012 (shall be enforced upon expiry of ten calendar days after its first official publication); № 30-V dated 05.07.2012 (shall be enforced upon expiry of ten calendar days after its first official publication); № 206-V dated 10.06.2014 (shall be enforced upon expiry of ten calendar days after the date of its first official publication); № 239-V dated 29.09.2014 (shall be enforced upon expiry of ten calendar days after the day its first official publication); № 269-V dated 29.12.2014 (shall be enforced from 01.01.2015); № 393-V dated 12.11.2015 (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 02.07.2018 № 168-VI (shall be enforced 01.01.2019); dated 03.07.2019 № 262-VI (shall be enforced from 01.01.2020); dated 13.05.2020 № 325-VI (shall come into effect six months after the day of its first official publication); dated 02.01.2021 № 399-VI (shall come into

effect from 16.12.2020); dated 05.11.2022 № 157-VII (shall enter into force upon expiry of ten calendar days after the day of its first official publication); dated 12.07.2023 № 23-VIII (shall be enforced sixty calendar days after the date of its first official publication); 06.04.2024 № 71-VIII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication); dated 09.01.2026 № 256-VIII (shall be enforced six months after the day of its first official publication).

Article 22. Insurance of audit activity

1. Audit organizations shall be obliged to conclude the insurance agreement of civil responsibility on the obligations, arising due to infliction of property damage upon carrying out of an audit.

2. Insurance of civil responsibility of audit organizations shall be carried out in the manner, established by the legislative acts of the Republic of Kazakhstan.

Article 23. Responsibility of auditors and audit organizations

Auditors and audit organizations shall bear responsibility in accordance with the Laws of the Republic of Kazakhstan for violation of the legislation of the Republic of Kazakhstan on audit activity, as well as conditions of the agreement.

Footnote. Article 23 as amended by Law of the Republic of Kazakhstan № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure).

Article 24. Restrictions on the right to audit, tax audits, special purpose audits of quasi-public sector entities, audits of other information

Footnote. The title of Article 24 in the new wording of Law of the Republic of Kazakhstan № 269-V dated 29.12.2014 (shall be enforced from 01.01.2015); as amended by Law of the Republic of Kazakhstan № 393-V dated 12.11.2015 (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 02.07.2018 № 168-VI (shall be enforced dated 01.01.2019).

It is prohibited to conduct an audit, tax audit, audit of special purpose subjects of quasi-public sector, audit of other information by an audit organization:

customers, whose member or creditor is the audit firm or its employees performing this audit, tax audit, special purpose audit of quasi-public sector entities, audit of other information;

organizations with which a civil liability insurance contract has been concluded over the past three years;

organizations that, over the past three years, have been provided with the services specified in subparagraphs 2) and (or) 3) (in terms of accounting and (or) financial reporting) of part one of paragraph 2 of Article 3 of this Law;

executers of which are in labour relations or are close relatives or legal relative of civil servants of an audited subject, as well as a shareholder (participant), having ten and more percent of shares of stock (or participatory shares in charter capital) of an audited subject;

executers of which have personal property interests in audited subject;

if it has monetary obligations to the audited entity or to the audited entity, except for obligations to conduct an audit, tax audit, special purpose audit of quasi-public sector entities, and audit of other information;

in cases, involving creation of the conflict of interests or creating a threat to create such conflict, with the exception of obligations, arising from concluded public agreements.

It is prohibited to conduct a compulsory audit by an audit organization that does not meet the minimum requirements for audit organizations that conduct compulsory audits

Footnote. Article 24 as amended by Law of the Republic of Kazakhstan № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure); № 269-V dated 29.12.2014 (shall be enforced from 01.01.2015); № 393-V dated 12.11.2015 (shall be enforced upon expiry of ten calendar days after the day its first official publication); № 168-VI of 02.07.2018 (shall be enforced dated 01.01.2019); dated 13.05.2020 № 325-VI (shall come into effect six months after the day of its first official publication).

Article 25. Rights and obligations of an audited subject

1. An audited subject shall have the right to:

1) to receive from the audit organization the necessary information on the requirements of the legislation of the Republic of Kazakhstan concerning audit, tax audit, audit of special purpose of subjects of quasi-public sector, audit of other information;

2) familiarize with regulatory legal acts, on which the commentaries and summaries of an audit organization are based;

3) receive information from an auditor, audit organization on detected violations in maintenance of business accounting, financial reporting and other information, linked with financial reporting;

4) refuse from the services of audit organization in case of its violation of the agreement's conditions.

2. An audit subject shall be obliged to:

1) to create conditions for audit organization for timely and high-quality audit, tax audit, audit of special purpose of quasi-public sector entities, audit of other information, to provide the necessary documentation, including information constituting commercial secret, to give explanations and explanations in oral or written form;

2) not to interfere in the activities of the audit firm in order to limit the scope of issues subject to audit, tax audit, special purpose audit of quasi-public sector entities, audit of other information, unless otherwise provided by the contract;

3) refer a written request from own name towards third parties for receiving necessary information upon request of an audit organization.

3. Audit subjects represented by state institutions and state enterprises, legal entities with state participation within a month after the audit of the financial statements of their activities, as well as the audit subjects of the quasi-public sector within a month after the special purpose audit of the quasi-public sector entities submit information on violations of the legislation of the Republic of Kazakhstan to the state audit and financial control on the use of budgetary funds, loans, related grants, state assets and the quasi-public sector entities, state and state-guaranteed loans, as well as loans attracted under state guarantees.

4. Fulfillment of requirements of audit organization, arising from obligations according to agreement shall be compulsory for an audited subject.

Footnote. Article 25 is in the wording of Law of the Republic of Kazakhstan № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure); as amended by Laws of the Republic of Kazakhstan № 269-V dated 29.12.2014 (shall be enforced from 01.01.2015); № 393-V dated 12.11.2015 (shall be enforced upon expiry of ten calendar days after the day its first official publication); № 168-VI of 2 July 2018 (shall be enforced dated 1 January 2019).

Article 26. Obligations of an audited subject

Footnote. Article is excluded by Law of the Republic of Kazakhstan № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure).

Article 27. Responsibility of an audited subject

1. The audited entity shall be responsible for completeness and reliability of the financial statements and other information related to the financial statements, as well as other information provided to the audit organization for the purpose of conducting an audit, tax audit, special purpose audit of quasi-public sector entities, and audit of other information, as established by the laws of the Republic of Kazakhstan.

2. A head of a legal entity, evading from conducting compulsory audit or precluding its conducting, or not ensuring its conducting in accordance with requirements of the legislation of the Republic of Kazakhstan, shall bear responsibility in accordance with the Laws of the Republic of Kazakhstan.

3. Carrying out of audit, tax audit, audit of special purpose of subjects of quasi-public sector, audit of other information does not release the audited entity from responsibility for non-conformity of submitted financial statements and other documents to the requirements of the legislation of the Republic of Kazakhstan.

Footnote. Article 27 as amended by Law of the Republic of Kazakhstan № 138-IV dated 20.02.2009 (see Article 2 for the enactment procedure); № 269-V dated 29.12.2014 (shall be enforced from 01.01.2015); № 393-V dated 12.11.2015 (shall be enforced upon expiry of ten

calendar days after the day its first official publication); № 168-VI dated 02.07.2018 (shall be enforced dated 01.01.2019).

Article 28. Consideration of disputes

Disputes arising between auditors, audit organizations, as well as between them and audited subjects shall be resolved in the manner, established by the legislation of the Republic of Kazakhstan.

Article 29. Transitional provisions

1. Auditors being the individual entrepreneurs may carry out audit activity within six months from the date of enforcement of this Law.

2. Licenses of audit organizations, issued by the authorized body, with the exception of those issued by the authorized body on regulation and supervision of financial market and financial organizations, and qualification certificates “auditor”, issued before enforcement of this Law shall be valid.

Article 30. Order of enforcement of this Law

This Law enters into force from the date of its official publication, with the exception of paragraphs 4, 5 of Article 9, Articles 10, 12 and 14 that enters into force upon expiry of six months from the date of enforcement of this Law.

The President
of the Republic of Kazakhstan