

Law
of the Republic of Kazakhstan
concerning counteraction to legalization (laundering) of illegally obtained incomes and financing of
terrorism

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The present Law determines the legal grounds of counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism, legal relations of entities of financial monitoring, the authorized body and other state structures of the Republic of Kazakhstan in the sphere of counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism.

Chapter 1. General provisions

Article 1. General Definitions Used in this Law

The following general definitions are used in this Law:

- 1) suspicious transactions with money and (or) other property (hereinafter referred to as - suspicious transaction) - a transaction meeting the criteria, established by the present Law which has the bases to believe that as a result of its commitment incomes received by an illegal way will be involved in lawful circulation, or implementation of the given transaction is aimed on financing of terrorism and (or) extremism;
- 2) transactions with money and (or) other property - actions of individuals and legal entities with money and (or) other property irrespective of the form and way of their implementation, aimed on establishment, change or termination of civil rights and duties related with them;
- 3) incomes received by an illegal way - money and (or) other property, received as a result of commitment of crime and (or) any administrative offence;
- 4) legalization (laundering) of illegally obtained incomes - involvement in lawful circulation of money and (or) other property received by an illegal way by means of transactions implementation, and equally use of mentioned above money and (or) other property;
- 5) bank-correspondent - a bank which is carrying out banking transactions, provided for by the contract on correspondent account keeping;
- 6) financial monitoring – a set of measures on collection and analysis of information on transactions with money and (or) other property, arriving from the financial monitoring entities;
- 7) financing of terrorism (terrorist activity) – granting or collection of money and (or) other property or rendering of financial services by terrorists (or) to terrorist organizations for carrying out of their terrorist activity;
- 8) authorized body - a governmental body carrying out financial monitoring and taking other measures on counteraction to legalization (laundering) of illegally obtained incomes, and to financing of terrorism according to the present Law;
- 9) a foreign public official - an appointed or elected person, holding any post in legislative, executive, administrative or judicial body of a foreign state, as well as any person carrying out any public function for any foreign state.

Article 2. Legislation of the Republic of Kazakhstan on counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism

1. Legislation of the Republic of Kazakhstan on counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism is based on the Constitution of the Republic of Kazakhstan, and consists of the present Law and other regulatory legal acts of the Republic of Kazakhstan.

2. If the International Treaties ratified by the Republic of Kazakhstan provides for the rules other than those defined by this Law, the rules of such International Treaties shall prevail and apply.

Chapter 2. Counteraction to legalization (laundering) of the income received by an illegal way and financing of terrorism

Article 3. Entities of financial monitoring

1. For the purposes of the present Law the entities of financial monitoring shall include:

- 1) banks, organizations carrying out separate types of banking operations;
 - 2) stock exchanges;
 - 3) insurance (re-insurance) organizations, insurance brokers;
 - 4) accumulating pension funds;
 - 5) professional participants of the securities market, Central Securities Depository;
 - 6) notaries, carrying out notarial activities with money and (or) other property;
 - 7) lawyers, other independent experts in legal issues - in cases when they participate in transactions with money and (or) other property relating to the following activity, from or on behalf of the client:
real estate purchases and sales;
management of money, securities or other property of the client;
bank accounts or securities accounts management;
accumulation of funds for creation, maintenance, functioning or management of the company;
creation, functioning or management of the legal entities or formations and enterprises purchase and sale;
 - 8) audit organizations;
 - 9) gaming and lotteries organizers;
 - 10) mail operators rendering services on remittance of money.
2. Governmental bodies of the Republic of Kazakhstan shall be not the entities of financial monitoring.

Article 4. Transactions with money and (or) other property, subjected to financial monitoring

1. A transaction with money and (or) other property shall be subjected to financial monitoring if by its nature it shall be attributed to one of transactions types provided for by clause 2 of the present Article, and is committed in cash, except for transactions provided for by subparagraphs 6), 7), 9), 11) and 18) of clause 2 of the present Article, to the amount which is equal or exceeds:

for transactions specified in subparagraph 1) of clause 2 of the present Article - in the amount equal to or exceeding 1 000 000 KZT or equal to the amount in a foreign currency, being equivalent to or exceeding 1 000 000 KZT;

for transactions specified in subparagraphs 6), 7) and 9) of clause 2 of the present Article - in the amount equal to or exceeding 2 000 000 KZT or equal to the amount in foreign currency, being equivalent to or exceeding 2 000 000 KZT;

for transactions specified in subparagraphs 2) - 5), 8), 10) - 17) of clause 2 of the present Article - in the amount equal to or exceeding 7 000 000 KZT or equal to the amount in foreign currency, being equivalent to or exceeding 7 000 000 KZT;

for transactions specified in subparagraphs 18) and 19) of clause 2 of the present Article - in the amount equal to or exceeding 45 000 000 KZT or equal to the amount in foreign currency, being equivalent to or exceeding 45 000 000 KZT.

2. Transactions with money and (or) other property subjected to financial monitoring, shall include the following:

- 1) receipt of prize money, including in electronic form, basing on the results of holding wagering, gambling in gambling establishments, and lotteries;
- 2) purchase, sale and exchange of cash foreign currency through exchange offices;
- 3) receipt of money under cheque or bill of exchange as a nonrecurring transaction, as well as transaction which is carried out within seven consecutive calendar days;
- 4) exchange of banknotes of one value to banknotes of another value, being a nonrecurring transaction, as well as transaction which is carried out within seven consecutive calendar days;

- 5) withdrawal from the bank account or transfer of money to the bank account of the client, being a nonrecurring transaction, as well as transaction which is carried out within seven consecutive calendar days;
 - 6) entering or transfer of money to the bank account of the client, carried out by any individual or legal entity having accordingly appropriate registration, place of residence or place of location in an offshore zone, and equally owning a bank account, registered in such offshore zone, or any remittance of money by the client in favor of specified category of persons, being a nonrecurring transaction, as well as transaction which is carried out within seven consecutive calendar days;
 - 7) remittance of money abroad on accounts (deposits), opened to the name of anonymous account holder, receipt of money from abroad from the account (deposit) opened to the name of anonymous account holder, carried out as a nonrecurring transaction, as well as transaction which is carried out within seven consecutive calendar days;
 - 8) opening of the savings account (deposit) in favor of the third party and (or) entering of money on such account as a nonrecurring transaction, as well as transaction which is carried out within seven consecutive calendar days;
 - 9) payments and remittances of money carried out by the client in favor of another person on a gratuitous basis;
 - 10) purchase (sale), import in the Republic of Kazakhstan or export from the Republic of Kazakhstan of any culture values;
 - 11) transactions, carried by the legal entities state registration of which has been made less than three months;
 - 12) import in the Republic of Kazakhstan or export from the Republic of Kazakhstan of cash currency, except for import or export which are carried out by the National Bank of the Republic of Kazakhstan, banks and by the National mail operator;
 - 13) making of insurance payment or receipt of insurance premium;
 - 14) entering, transfer of voluntary pension payments in accumulating pension funds, as well as making of pension payments from accumulating pension funds at the expense of voluntary pension payments;
 - 15) receipt or granting of property under the financial leasing contract;
 - 16) transactions on rendering of services, including contractor's services, transportation services, transport forwarding services, storage, commission, trust property management services;
 - 17) purchase and sale and other operations with precious metals, precious stones and products made of them;
 - 18) transactions with immovable and other property, subjected to compulsory state registration;
 - 19) transactions with securities.
3. Suspicious transactions shall be subjected to financial monitoring irrespective of the amount to which they were made or can be made.
4. Criteria for suspicious transactions identification are:
- 1) commitment of transaction having no obvious economic sense;
 - 2) commitment of actions aimed on evasion from financial monitoring procedures, provided for by the present Law;
 - 3) commitment of transaction which has the grounds to believe that the given transaction is aimed on financing of terrorism and (or) extremism.

Article 5. Appropriate check-over of clients by the entities of financial monitoring

1. The entities of financial monitoring should take measures on appropriate check over of their clients according to the legislation of the Republic of Kazakhstan on counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism.
2. The entities of financial monitoring shall carry out appropriate check-over of clients in the following cases:
 - 1) establishment of business relations with the client;
 - 2) commitment of transactions with money and (or) other property, subjected to financial monitoring;

3) availability of grounds for doubt in reliability of earlier received data on an individual and/or legal entities.

3. Appropriate check-over of clients by the entities of financial monitoring shall include implementation of the following measures:

1) fixing of data or information necessary for identification of an individual, committing a transaction with money and (or) other property: data of the document evidencing his identity, tax payer registration number, individual identification number (except for cases when the client was not assigned with any tax payer registration number or individual identification number according to the legislation of the Republic of Kazakhstan);

2) fixing of data or information necessary for identification of the legal entity, committing a transaction with money and (or) other property: data of the constituent documents, tax payer registration number, business identification number (except for cases when the client was not assigned with any tax payer registration number or business identification number according to the legislation of the Republic of Kazakhstan), and also the location address;

3) fixing of data or information necessary for identification of a recipient under the transaction with money and (or) other property or his representative, including tax payer registration number or individual identification number (if available) of the recipient and his representative, as well as a note on verification of signature of the recipient or his representative (if available);

4) establishment of a prospective purpose and nature of business relations;

5) carrying out of business relations checking and studying of transactions, which are carried out by the client through the given entity of financial monitoring on a constant basis.

4. Appropriate check-over of the clients by the entities of financial monitoring shall be carried out according to the internal control rules and regulations.

Article 6. Appropriate check-over of clients by the entities of financial monitoring in case of business relations establishment with the client

Entities of financial monitoring should take measures provided for by subparagraphs 1) - 4) of clause 3 of article 5 of the present Law, prior to business relations establishment with the clients.

Article 7. Appropriate check-over of clients by the entities of financial monitoring at commitment of transactions with money and (or) other property, subjected to financial monitoring

1. Prior to carrying out of transactions with money and (or) other property, subjected to financial monitoring according to article 4 of the present Law, the entities of financial monitoring shall take measures provided for by subparagraphs 1) - 4) of clause 3 of article 5 of the present Law.

2. In case of impossibility to take measures provided for by subparagraphs 1) - 4) of clause 3 of article 5 of the present Law, no business relations shall be established by the entities of financial monitoring with their clients and no transactions should be committed.

Article 8. Appropriate check-over of foreign public officials by the entities of financial monitoring

Besides the measures provided for by clause 3 of article 5 of the present Law, relating to foreign public officials, the entities of financial monitoring shall additionally be obliged:

1) to carry out checking of client's pertaining to the foreign public official;

2) to carry out assessment of reputation of the given foreign public official relating to its participation in cases of legalization (laundering) of illegally obtained incomes and financing of terrorism;

3) to obtain authorization of an executive employee of organization for establishment and continuation of business relations with such clients;

4) to undertake accessible measures for establishment of sources of funds.

Article 9. Appropriate check-over of banks-correspondents by the entities of financial monitoring

Besides the measures provided for by clause 3 of article 5 of the present Law, relating to foreign public officials, the entities of financial monitoring shall additionally be obliged:

1) to carry out collection of data and information on reputation of the bank-correspondent;

- 2) to carry out assessment of bank-correspondent's participation in cases on legalization (laundering) of illegally obtained incomes and financing of terrorism;
- 3) to obtain authorization of an executive employee of such organization for establishment of new correspondent relations.

Article 10. Collection of data and documentary confirmation at conducting of appropriate check-over

1. At carrying out of appropriate check-over of the clients the entities of financial monitoring shall be obliged to fix any data and information on the client in written form.

The list of documents necessary for appropriate check-over of the client by types of entities of financial monitoring shall be determined by the authorized body in coordination with appropriate state authorities.

2. Data and information on transaction, subjected to financial monitoring, shall be submitted by the entities of financial monitoring to the Authorized body according to the procedure defined by the Authorized body in coordination with appropriate state authorities.

3. Data and information on transaction, subjected to financial monitoring, shall be not submitted by the lawyers in case if these data and information have been received in connection with rendering of any legal assistance concerning representation and protection of individuals and legal entities in inquiry agencies, agencies in charge of preliminary investigation, courts.

See explanations in the Regulatory provisions of the Constitutional Council of the Republic of Kazakhstan № 5 dated August 20, 2009.

4. Expenses related with transfer of data on transaction, subjected to financial monitoring, received at carrying out of appropriate check-over of the client to the Authorized body, shall be born by the entities of financial monitoring.

Article 11. Conducting of internal control by the entities of financial monitoring

1. The entities of financial monitoring shall take measures, in accordance with which the services rendered by them will not be used by any other persons for commitment or rendering of assistance in legalization (laundering) of illegally obtained incomes and financing of terrorism.

2. With the purpose to prevention legalization (laundering) of illegally obtained incomes and financing of terrorism the entities of financial monitoring shall develop rules and regulations for internal control conducting and the program on its implementation, as well as shall bear responsibility for observance of such rules and implementation of the program.

3. Rules and regulations of internal control shall be developed, accepted and executed by the entities of financial monitoring with allowance for requirements confirmed by the Authorized body in coordination with appropriate state authorities.

4. Documents, confirming data and information, specified in article 5 of the present Law, as well as the copies of documents necessary for identification of a person, shall be subject to storage by the entities of financial monitoring within not less than five years from the date of relations termination with the client.

5. The entities of financial monitoring providing the information to the Authorized body shall be not entitled to inform hereon the clients and other persons in which relation such information is submitted.

6. Submission of data and documents by the entities of financial monitoring to the Authorized body with a purpose and according to the procedure, provided for by the present Law, shall be not deemed as disclosure of any official, commercial, banking or other secret protected by the law.

7. In case of information submission to the Authorized body in accordance with the present Law, the entities of financial monitoring, their officials, irrespective of results of such submission, shall not bear any liability provided for by the laws of the Republic of Kazakhstan, as well as liability provided for by the civil-law contract.

Article 12. The list of organizations and persons engaged in financing of terrorism and extremism

1. The Authorized body shall make up a list of organizations and persons engaged in financing of terrorism and extremism, and shall direct this information to appropriate state authorities which should bring this list to information of the entities of financial monitoring.

2. The state authority carrying out statistical activity in the field of legal statistics and special accounts within the limits of its competence, as well as other competent state authorities shall send to the Authorized body the list of organizations and (or) the individuals specified in paragraph 4 of present article.

3. The list of organizations and persons engaged in financing of terrorism and extremism shall be updated in accordance with information provided by the state authority, as well as other competent state authorities, carrying out statistical activity in the field of legal statistics and special accounts within the limits of its competence.

4. The grounds for inclusion of organization or individual person in the list of organizations and persons engaged in financing of terrorism and extremism shall be the following:

1) decision of the court of the Republic of Kazakhstan which has come into effect relating to liquidation of organization in connection with terrorist activity and (or) extremism carrying out by it;

2) decision of the court of the Republic of Kazakhstan which has come into effect relating to recognition of the foreign or international organization carrying out terrorist activity or extremism in the territory of the Republic of Kazakhstan and (or) other state, as terrorist or extremist organization;

3) sentence of the court of the Republic of Kazakhstan which has come into effect relating to recognition of an individual person as guilty in commitment of a crime, containing the signs of extremism, or a crime provided for in Articles 233 - 233-3 of the Criminal codes of the Republic of Kazakhstan;

4) sentences (decisions) of courts and decisions of other competent authorities of any foreign states relating to organizations or individual persons carrying out terrorist activity, recognized in the Republic of Kazakhstan in accordance with international treaties of the Republic of Kazakhstan and laws of the Republic of Kazakhstan;

5) lists of organizations or individual persons connected with terrorist organizations or terrorists, made up by international organizations carrying out struggle against terrorism, or made up by the authorized bodies recognized in the Republic of Kazakhstan.

Article 13. Renunciation of carrying out of transactions with money and (or) other property and suspension of suspicious transactions

1. The entities of financial monitoring shall be obliged to renounce to carry out transactions with money and (or) other property, subjected to financial monitoring, in cases of impossibility to take measures provided for by subparagraphs 1) - 4) of paragraph 3 of article 5 of the present Law.

2. For the purposes of prevention and suppression of facts of legalization (laundering) of illegally obtained incomes and financing of terrorism the entities of financial monitoring shall immediately be obliged to inform the Authorized body on such suspicious transaction prior to its commitment.

Notifications on suspicious transactions which cannot be suspended shall be submitted by the entities of financial monitoring to the Authorized body not later than three hours after their commitment or within twenty four hours from the moment of revealing of such transactions.

Procedure of suspicious transactions suspension shall be determined by the Authorized body in coordination with appropriate state authorities.

3. Having received a notice on suspicious transaction, the Authorized body, within twenty four hours from the moment of such notice reception on suspicious transaction shall make a decision on suspension of suspicious transaction commitment for the term up to three calendar days.

4. In case of failure to receive a notice, information, decision of the Authorized body on suspension of suspicious transaction or on absence of necessity to suspend such transaction by the entity of financial monitoring within twenty four hours from the moment of notification, such a transaction should be carried out, unless there are other grounds provided for by the legislative acts of the Republic of Kazakhstan, preventing to carry out such transactions.

5. Should there are any grounds to believe that a transaction with money (or) other property is connected with legalization (laundering) of illegally obtained incomes, and (or) financing of terrorism, the Authorized body, not later than five hours from the moment of notice reception on suspicious transaction, shall send information to law enforcement bodies in accordance with their competence for making appropriate decision.

From the moment of information receipt, appropriate law enforcement bodies shall, within forty eight hours, be obliged to make appropriate decision and to inform the Authorized body thereon.

6. Refusal to commit a transaction with money and (or) other property, as well as suspension of suspicious transactions in accordance with the present Law shall be not the grounds for civil-law liability of entities of financial monitoring for violation of terms and conditions of appropriate contracts (assumed obligations).

Article 14. Control over the observance of legislation on counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism

Control over fulfillment of legislation of the Republic of Kazakhstan on counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism by the entities of financial monitoring regarding fixing, storage and provision of information on transactions with money and (or) other property, subjected to financial monitoring, as well as over organization of internal control, shall be carried out by appropriate state bodies in accordance with their competence and according to the procedure, established by the legislation of the Republic of Kazakhstan.

Chapter 3. Competence of the Authorized body

Article 15. Aims and goals of the Authorized body

Aims and goals of the Authorized body are:

- 1) implementation of the uniform state policy in sphere of counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism;
- 2) counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism, coordination of work of state bodies in this line of activity;
- 3) creation of the uniform information system and maintaining of the republican database in sphere of counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism;
- 4) carrying out of interaction and information exchange with the competent bodies of foreign states in sphere of counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism;
- 5) representation of interests of the Republic of Kazakhstan in international organizations on the issues of counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism.

Article 16. Functions of the Authorized body

For the purposes to counteract to legalization (laundering) of illegally obtained incomes and financing of terrorism the Authorized body shall:

- 1) carry out collection and processing of information on transactions with money and (or) other property, subjected to financial monitoring in accordance with the present Law;
- 2) carry out analysis of the received information according to the established procedure;
- 3) coordinate the activity of the state bodies in sphere of counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism;
- 4) send all necessary information on transactions with money and (or) other property subjected to financial monitoring on request of the criminal cases court for resolution of the materials in judicial proceedings;
- 5) send information to law enforcement bodies in accordance with their competence for making of procedural decision at availability of grounds to believe that a transaction with money and (or) other property is connected with legalization (laundering) of incomes received by illegal way, and (or) financing of terrorism;
- 6) participate in development and implementation of programs of international cooperation concerning counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism;
- 7) organize formation and maintaining of the republican database, as well as shall provide methodological unity and coordinated functioning of information systems in sphere of counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism;

- 8) develop and carry out measures and activities on prevention of violations of legislation of the Republic of Kazakhstan on counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism;
- 9) generalize the practice on application of legislation of the Republic of Kazakhstan on counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism on the basis of information received from the state bodies and other organizations, as well as shall develop and make offers on its improvement and perfection;
- 10) studies the international experience and practice on counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism;
- 11) carry out measures and activities on retraining and improvement of professional skills of the staff in the sphere of counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism;
- 12) participate, according to the established procedure, in the activity of international organizations in sphere of counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism;
- 13) determine the list of offshore zones for the purposes of the present Law and send it to appropriate state bodies which bring it to information of the entities of financial monitoring in coordination with the state body carrying out regulation and supervision of the financial market and financial organizations.

Article 17. Rights and obligations of the Authorized body

1. The Authorized body shall be entitled:

- 1) to request all necessary information on transaction, subjected to financial monitoring, from the entities of financial monitoring, as well as from the state bodies of the Republic of Kazakhstan;
- 2) to make a decision on suspension of transactions with money and (or) other property in case of revealing any attributes of legalization (laundering) of illegally obtained incomes and financing of terrorism for the term of up to three calendar days;
- 3) to participate in development of drafts of regulatory legal acts and international treaties of the Republic of Kazakhstan on counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism;
- 4) to exchange information with authority of the foreign state in sphere of counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism either on request or independently;
- 5) to engage, as well as on a contractual basis, research and other organizations, and other independent experts for carrying out of expertise, development of training programs, methodical materials, software and information supply programs, creation of information systems in the sphere of financial monitoring with observance of requirements on protection of state, official, commercial, banking and other secret protected by the law;
- 6) to send to appropriate state bodies a notice on violation of legislation of the Republic of Kazakhstan on counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism.

2. The Authorized body shall be obliged:

- 1) to take measures on counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism;
- 2) to ensure an appropriate mode of storage, protection and safe-keeping of information received in the course of its activity, being an official, commercial, banking or other secret protected by the law;
- 3) to ensure the observance of rights and legitimate interests of a person and citizen, legal entities and states in the course of financial monitoring carrying out.

Article 18. Interaction of the Authorized body with the state bodies of the Republic of Kazakhstan

1. State bodies of the Republic of Kazakhstan, carrying out control over the observance of legislation of the Republic of Kazakhstan on counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism by the entities of financial monitoring within the limits of their competence, shall be obliged:

1) to provide necessary information to the Authorized body for carrying out of financial monitoring and counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism, according to the procedure determined by the Government of the Republic of Kazakhstan;

2) to consider the notice of the Authorized body on violation of legislation of the Republic of Kazakhstan on counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism and to inform on the measures taken to the Authorized body within a term established by legislation of the Republic of Kazakhstan;

3) to ensure appropriate mode of storage, protection and safe-keeping of information received in the course of its activity being an official, commercial, banking or other secret protected by the law;

4) to ensure observance of rights and legitimate interests of a person and citizen, legal entities and the state in the course of control functions fulfillment.

2. State bodies of the Republic of Kazakhstan shall be obliged:

1) to inform the Authorized body on suspicious transactions, including on transactions relating to export (import) of goods (works, services) with the prices obviously differing from market prices in case of independent revealing of such facts;

2) to inform the Authorized body on violations of norms and regulations of the present Law committed by the entities of financial monitoring at independent revealing of such facts;

3) on request of the Authorized body to submit of data and information from own information systems in the volume and according to the procedure determined by the Government of the Republic of Kazakhstan.

Granting of the information on suspicious operation in the Authorized body is not disclosure of service, commercial, bank or other secret protected by the law.

Article 19. International cooperation in sphere of counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism

1. Cooperation of the Authorized body and other state bodies of the Republic of Kazakhstan with the competent authorities of the foreign states in sphere of the prevention, revealing, suppression and investigation of acts related with legalization (laundering) of incomes, received by illegal way, and financing of terrorism, as well as confiscation of specified above incomes which shall be carried out in accordance with the laws of the Republic of Kazakhstan and international treaties of the Republic of Kazakhstan.

2. International cooperation in the sphere of counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism between the Authorized body and the competent authority of a foreign state can be carried out by inquiry and information interchange.

3. For the purposes to counteract to legalization (laundering) of illegally obtained incomes and financing of terrorism the Authorized body shall have the right to request information and documents from the competent authorities of a foreign state responsible for counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism.

The Authorized body shall have the right to use information and documents received on request exclusively for the purposes to counteract to legalization (laundering) of illegally obtained incomes and financing of terrorism.

The Authorized body shall be not entitled, without the preliminary consent of the competent bodies of a foreign state responsible for counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism, to transfer to the third party or to use information and documents with violation of conditions and restrictions established by the competent authorities of a foreign state from which they have been requested.

4. The Authorized body shall be entitled to refuse in satisfaction of the request from the competent authorities of a foreign state in the following cases:

1) if the Authorized body considers the facts and circumstances mentioned in the request of necessity to provide information, as insufficient for suspicion of legalization (laundering) of illegally obtained incomes and financing of terrorism;

2) if the provision of information affects the course of the criminal legal proceedings in the Republic of Kazakhstan.

The Authorized body shall notify such requesting competent authority of a foreign state on refusal mentioning the reasons and grounds for such refusal.

The Authorized body shall be entitled to establish additional conditions and restrictions for use of information provided to the competent authorities of a foreign state, responsible for counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism.

5. Unless otherwise stated by international treaties ratified by the Republic of Kazakhstan provisions of present article shall be applied in respect of international cooperation.

Chapter 4. Final provisions

Article 20. Liability of infringement of legislation of the Republic of Kazakhstan on counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism

1. Infringement of legislation of the Republic of Kazakhstan on counteraction to legalization (laundering) of illegally obtained incomes and financing of terrorism shall result in liability established by the laws of the Republic of Kazakhstan.

2. Employees of the authorized body and other state authorities, as well as persons who, by virtue of implementation of their official duties, have access to information being an official, commercial, banking or other secret protected by the law, shall bear liability for its disclosure, established by the laws of the Republic of Kazakhstan.

3. Damage caused to any individuals or legal entities by illegal actions of the Authorized body or its employees in connection with fulfillment by the Authorized body of its functions, shall be subjected to compensation according to the procedure, established by legislation of the Republic of Kazakhstan.

Article 21. Procedures for the present Law introduction into effect

The present Law shall become effective upon expiration of six months after its first official publication.

The President of the Republic of Kazakhstan

N. NAZARBAYEV