

Concept of the draft Law “On Currency Regulation and Currency Control”

edition №7



The National Bank of Kazakhstan (the “NBK”) has drafted a concept of a draft Law “On Currency Regulation and Currency Control” (“the Concept”). It has been distributed to business associations for discussion.

According to the Concept, entry into the WTO requires adjustment of the currency legislation by changing the definition of “residency”.

A significant change is recognition of branches/representative offices of foreign companies as residents from a currency control perspective. The Concept refers to inconsistency with tax legislation, in terms of which they are residents of Kazakhstan.

For branches and representative offices of foreign companies this would mean inter alia carrying out transactions with Kazakh exchange control residents only in tenge.

The Concept is awaiting approvals from authorised business associations (Atameken, KazEnergy, etc.) and relevant state authorities. A draft law would follow. Discussions about a draft law with authorised business associations and state authorities should occur in late 2016/ early 2017. Amendments to the currency legislation are to be considered by the Parliament in the second half 2017.

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