

15 February 2021

(21-1248)

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Council for Trade in Services

Original: English

**NOTIFICATION PURSUANT TO ARTICLE III:3 OF THE
GENERAL AGREEMENT ON TRADE IN SERVICES**

The following notification, dated 15 February 2021, from the delegation of Kazakhstan, is being circulated to Members of the Council for Trade in Services.

1 MEMBER NOTIFYING:

The Republic of Kazakhstan

2 NOTIFICATION UNDER:

Article III:3 of the General Agreement on Trade in Services

3 DATE OF ENTRY INTO FORCE:

16 December 2020

3.1 Duration:

Indefinite

4 AGENCY RESPONSIBLE FOR ENFORCEMENT OF THE MEASURE:

The National Bank of the Republic of Kazakhstan, the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market

5 DESCRIPTION OF THE MEASURE:

Due to the expiration of the five-year transition period pursuant to the commitments set forth in the GATS Schedule of Specific Commitments of the Republic of Kazakhstan in relation to the financial services sector, the relevant laws of Kazakhstan have been amended to allow foreign banks, insurance (and reinsurance) organizations and insurance brokers to open direct branches in the territory of the Republic of Kazakhstan:

- Law of the Republic of Kazakhstan No.2444 «On Banks and Banking Activities in the Republic of Kazakhstan» of 31 August 1995;
- Law of the Republic of Kazakhstan No. 126 «On Insurance Activities» of 18 December 2000;
- Entrepreneur Code of the Republic of Kazakhstan No.375-V ZRK of 29 October 2015.

In order to open branches, foreign banks and insurance and reinsurance organizations are required to meet the requirements and conditions established by the Laws of the RK «On Banks and Banking Activities in the Republic of Kazakhstan» and «On Insurance Activities»:

1) in the banking sector:

- the minimum amount of total assets of a non-resident bank, which has submitted an application for the opening of a branch, must be not less than USD 20 billion;

- the minimum amount of deposit which can be accepted from a natural person by non-resident bank branches must be not less than USD 120,000.

2) in the insurance and reinsurance sectors:

- the minimum amount of total assets of a non-resident insurance organization/non-resident reinsurance organization, which has submitted an application for the opening of a branch, must be not less than USD 5 billion;
- branches of non-resident insurance companies/non-resident reinsurance organizations are allowed to provide insurance services in certain sectors only if the parent non-resident companies have at least 10 years of experience in those sectors and classes.

These amendments were introduced by:

- (i) Law of the RK No. 399-VI ZRK «On Amending Some Legislative Acts of the Republic of Kazakhstan Concerning the Restoration of Economic Growth» of 2 January 2021;
- (ii) Law of the RK No. 168-VI ZRK «On Amending Some Legislative Acts of the Republic of Kazakhstan Concerning Currency Regulation and Currency Control, Risk-Oriented Supervision of Activity of the Financial Organizations, Protection of the Rights of Consumers of Financial Services and Improvement of Activity of the National Bank of the Republic of Kazakhstan» of 2 July 2018;
- (iii) Law of the RK No. 422-V ZRK «On Amending Some Legislative Acts of the Republic of Kazakhstan Concerning Non-Performing Loans and Assets of Second-Tier Banks, the Provision of Financial Services and the Activities of Financial Organizations and the National Bank of the Republic of Kazakhstan» of 24 November 2015.

6 MEMBERS SPECIFICALLY AFFECTED, IF ANY:

None

7 TEXTS AVAILABLE FROM:

Enquiry Point and Notification Authority
Ministry of Trade and Integration of the Republic of Kazakhstan
Department for Foreign Trade Activity
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Entrepreneur Code of the Republic of Kazakhstan

Tax Code of the Republic of Kazakhstan

Law of the Republic of Kazakhstan «On insurance activities»

Law of the Republic of Kazakhstan «On Banks and Banking Activities in the Republic of Kazakhstan»

Law of the Republic of Kazakhstan «On amending some legislative acts of the Republic of Kazakhstan concerning the restoration of economic growth»

Law of the Republic of Kazakhstan «On amending some legislative acts of the Republic of Kazakhstan concerning currency regulation and currency control, risk-oriented supervision of activity of the financial organizations, protection of the rights of consumers of financial services and improvement of activity of the National Bank of the Republic of Kazakhstan»

Law of the Republic of Kazakhstan «On amending some legislative acts of the Republic of Kazakhstan concerning non-performing loans and assets of second-tier banks, the provision of financial services and the activities of financial organizations and the National Bank of the Republic of Kazakhstan»