

LAW OF THE REPUBLIC OF KAZAKHSTAN

of November 16, 2015 No. 402-V ZRK

About charity

(as amended on 13-05-2020)

This Law governs the public relations arising in the sphere of charity.

Chapter 1. General provisions

Article 1. The basic concepts used in this Law

In this Law the following basic concepts are used:

- 1) the sponsor - person performing sponsor's activities;
- 2) sponsor's activities - activities of the sponsor for rendering the charitable help on the terms of promoting of name of the sponsor according to this Law, the laws of the Republic of Kazakhstan, international treaties of the Republic of Kazakhstan;
- 3) promoting of name of the sponsor - distribution of information in visual and (or) sound form of own name (name) of the sponsor, its goods, trademarks, works, services in exchange for financing and (or) material and technical support of action;
- 4) donations - money, and also other property from persons, once within calendar year transferred to users for satisfaction of their current demands;
 - 4-1) small homeland - administrative and territorial unit of the Republic of Kazakhstan in the territory of which the physical person was born and (or) carried out part of the life;
 - 4-2) person giving support to the small homeland - the physical person giving support to the small homeland;
 - 4-3) support of the small homeland - the voluntary activities based on patriotism, directed to support to the small homeland;
- 5) charity - the social and useful activities based on rendering the charitable help and satisfaction of humane requirements, performed voluntarily, gratuitously or on favorable terms in the form of philanthropic, sponsor's and philanthropic activities, and also support to the small homeland;
- 6) the charitable program - the system of measures including terms and procedure of the charitable help;
- 7) the volunteer of charity - the physical person who is taking part in charity by application of the experience, special skills, knowledge, abilities, personal contacts on the basis of the signed contract with the philanthropist;
- 8) charitable grant - the money allocated for financial aid to the user which target use is confirmed by the report;
- 9) the philanthropist - person, the philanthropist and (or) the sponsor, and (or) the patron, and (or) the person giving support to the small homeland performing charity;
- 10) the charitable help - the property provided by the philanthropist on a grant basis for the purpose of assistance to the user in improvement of financial and (or) financial position:
 - in the form of social support of physical person;
 - in the form of the sponsor's help;
 - non-profit organization for the purpose of maintenance of its authorized activities;
 - the organization performing activities in the social sphere determined according to [the Code](#) of the Republic of Kazakhstan "About taxes and other obligatory payments in the budget" (Tax code);
- 11) charitable organization - the non-profit organization created for implementation of charity according to this Law, the laws of the Republic of Kazakhstan, international treaties of the Republic of Kazakhstan;
- 12) the patron - person performing philanthropic activities;

13) philanthropic activities - activities of the patron for rendering the charitable help on the basis of good will in development of science, education, culture, art, sports skill, preserving historical and ethnocultural property of society and state according to this Law, the laws of the Republic of Kazakhstan, international treaties of the Republic of Kazakhstan;

14) the target capital (endowment) - the investment revenue from the initial size of the capital of the philanthropist sent by the philanthropist to implementation of the charitable help on condition of preserving the initial size of the capital;

15) the user - person receiving the charitable help in the solution of questions of social nature;

16) the philanthropist - person performing philanthropic activities;

17) philanthropic activities - the voluntary activities of the philanthropist based on distribution of its private resources for requirements satisfaction of society and persons, improvement of conditions of their life according to this Law, the laws of the Republic of Kazakhstan and international treaties of the Republic of Kazakhstan.

Article 2. Purpose and tasks of charity

1. The purpose of charity is assistance to development of self-organization of society by forming, maintenance and strengthening in the society of spiritual and moral values of charity.

2. The objectives of charity are achieved by accomplishment of the following tasks:

1) assistance to strengthening of the world, friendship and public consent, unity of the people, spiritual culture, prestige and role of family in society, and also protection of motherhood, patriotic education of children and youth;

2) satisfaction of material, cultural and educational needs of citizens and society;

3) rendering the charitable help, including to social and medical institutions, ethnocultural associations, the organizations of culture and art, education, science, sport and the objects having cultural and historical value for the people of Kazakhstan and also the certain figures who made contribution to development of the specified spheres;

4) implementation of actions on environmental management improvement, environmental protection, protection of animal and flora.

Article 3. Principles of charity

1. Philanthropists and users take part in charity on the basis of the principles of legality, equality, voluntariness and publicity.

The principle of legality consists in observance of the legal regime establishing real action of the right in case of which all persons strictly respect the precepts of law enshrined in [the Constitution](#) of the Republic of Kazakhstan, this Law and other regulatory legal acts of the Republic of Kazakhstan.

The principle of equality consists in observance of the legal regime providing the equal rights of philanthropists, users before the law and court irrespective of origin, social, official and property status, floor, race, nationality, language, the relation to religion, beliefs, the residence or any other circumstances.

The principle of voluntariness consists in observance of the legal regime establishing the right of the philanthropist to give charitable help to the user and the right of the user to receive or not to receive it without forced impact from the third parties.

The principle of publicity consists in observance of the legal regime establishing the right of the philanthropist and user is open to participate in charity, to freely cover results of such participation in mass media, and also the obligation not to interfere with disclosure of information on the tax, financial and accounting records concerning charity.

2. The liberty of choice of the implementable tasks of charity provided by this Law can be limited only to the laws of the Republic of Kazakhstan.

Article 4. Types, objects and subjects of charity

1. Types of charity are philanthropic, sponsor's, philanthropic activities, activities for support to the small homeland.

2. The objects of charity are citizens of the Republic of Kazakhstan, foreigners, stateless persons, oralmans, places of their residence and rest, production activities; buildings and constructions; animals and plants.

3. Subjects of charity are philanthropists and charity volunteers.

Footnote. Article 4 as amended by the Law of the Republic of Kazakhstan dated 02.07.2018 No. 165-VI (shall be enforced upon expiry of decimal calendar days after the day of its first official publication).

Chapter 2. LEGAL BASIS OF CHARITY

Article 5. Legislation of the Republic of Kazakhstan on charity

1. The legislation of the Republic of Kazakhstan on charity 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 an international treaty ratified by the Republic of Kazakhstan establishes rules other than those provided for in this Law, then the rules of the international treaty shall apply.
3. The procedure for formalizing contractual relations between the subjects of charity, as well as between them and users, is established in accordance with the civil legislation of the Republic of Kazakhstan.

Article 6. State and charity

1. Protection of the rights and legal interests of the subjects of charity and users is guaranteed by the state.
2. Unlawful interference of the state in the affairs of the subjects of charity engaged in charity, and philanthropists in the affairs of the state, entrusting them with the functions of state bodies are not allowed.
3. The receipt of charitable assistance by the user is not a basis for limiting or terminating any other types of assistance, payments or benefits determined by the laws of the Republic of Kazakhstan.
4. Philanthropists in the implementation of philanthropic and (or) sponsorship, and (or) philanthropic activities and (or) activities to support the small homeland may interact with government agencies.
5. State bodies are not entitled to engage in charity at the expense of budgetary funds, as well as unilaterally make changes (changes) to the charitable program approved by the benefactor.
6. The state stimulates charity by establishing and awarding state awards to the subjects of charity in the manner approved by the President of the Republic of Kazakhstan, as well as honorary titles in the manner approved by the Government of the Republic of Kazakhstan.

Footnote. Article 6 as amended by the laws of the Republic of Kazakhstan dated 03.07.2017 No. 86-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 02.07.2018 No. 165-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

Article 7. Coordination and control of charity

1. Local executive bodies, when benefactors contact them with proposals for the provision of charitable assistance, have the right to coordinate their activities within the administrative-territorial unit.
2. The size and structure of the income of a charitable organization, as well as information on the composition of its property, expenses, the number and composition of employees, and their remuneration are not a commercial secret.
3. Residents of the Republic of Kazakhstan are obliged to annually publish in the media a report on the use of funds provided free of charge by international organizations, foreigners and (or) stateless persons for the provision of charitable assistance.
4. The branch and (or) representative office of a foreign and (or) international charitable organization operating in the territory of the Republic of Kazakhstan shall annually publish in the mass media of the Republic of Kazakhstan a report on activities, including information on the founders (participants), the composition of property, sources of income generation and directions of spending money in the Republic of Kazakhstan.
5. The Assembly of the People of Kazakhstan, in order to strengthen peace, friendship and social harmony, the unity of the people, contributes to the development of charity in the country, provides coordinating and other support in the field of charity.

Article 8. Rights and obligations of a charitable organization

1. A charitable organization has the right:
 - 1) disseminate information about their activities;
 - 2) represent and protect the rights and legitimate interests of its members (participants) in courts, government bodies, public associations;
 - 3) establish mass media;
 - 4) carry out entrepreneurial activity;
 - 5) exercise other rights in the field of charity in accordance with this Law and the Law of the Republic of Kazakhstan "On non-profit organizations".

2. The charitable organization is obliged:
 - 1) comply with the legislation of the Republic of Kazakhstan;
 - 2) provide its members (participants) with the opportunity to get acquainted with documents and decisions that affect their rights and interests;
 - 3) inform its members (participants) about the receipt and expenditure of property;
 - 4) fulfill other obligations in the field of charity in accordance with this Law and the Law of the Republic of Kazakhstan "On non-profit organizations".

3. Labor relations of employees of a charitable organization are regulated by the labor legislation of the Republic of Kazakhstan.

4. A charitable organization applying for voluntary donations is obliged to comply with the requirements established by the legislation of the Republic of Kazakhstan on combating the legalization (laundering) of proceeds from crime and the financing of terrorism.

Footnote. Article 8 as amended by the Law of the Republic of Kazakhstan dated May 13, 2020 No. 325-VI (shall be enforced upon the expiry of six months after the day of its first official publication)

Article 9. International charity

1. International charity is carried out by the subjects of charity in the manner prescribed by this Law, the laws of the Republic of Kazakhstan and international treaties of the Republic of Kazakhstan.
2. Foreigners, stateless persons, foreign and international organizations may participate in the implementation of charity in the territory of the Republic of Kazakhstan in accordance with this Law, the laws of the Republic of Kazakhstan, international treaties of the Republic of Kazakhstan.

Article 10. Tax incentives in the implementation of charity

A philanthropist performing charity enjoys tax incentives provided for by the tax legislation of the Republic of Kazakhstan.

Article 11. Financial and economic activities and accounting reporting in the implementation of charity

1. The philanthropist carries out charity in accordance with this Law, the laws of the Republic of Kazakhstan, international treaties of the Republic of Kazakhstan.
2. The philanthropist shall keep records and provide information on the charitable activities carried out by the authorized state bodies in the manner prescribed by this Law, the laws of the Republic of Kazakhstan, international treaties of the Republic of Kazakhstan.

3. The philanthropist who has transferred his property to the user has the right to demand from him a report on the use of the said property.
4. A user who has received targeted charitable assistance (charitable grants) is obliged to submit a report to the benefactor.

Article 12. Income and expenses of a charitable organization

1. The income of a charitable organization is formed from the following sources:
 - 1) donation, will or gratuitous transfer of property, as well as rights to it;
 - 2) voluntary donations;
 - 3) income from charity auctions, competitions;
 - 4) endowment capital (endowment);
 - 5) income received from entrepreneurial activity;
 - 6) income of benefactors from performance of work, provision of services, transfer of the results of personal creative activity;
 - 7) reimbursement by benefactors of expenses for the maintenance of charity objects;\
 - 8) other sources provided for by this Law, the laws of the Republic of Kazakhstan, international treaties of the Republic of Kazakhstan.
2. The income is spent by benefactors for:
 - 1) single or multiple charitable assistance during the year;
 - 2) long-term charitable assistance;
 - 3) assistance in conducting social advertising;
 - 4) carrying out the activities of a charitable organization;
 - 5) other events in accordance with this Law, the laws of the Republic of Kazakhstan, international treaties of the Republic of Kazakhstan.
3. Measures for the organization of charity are reflected in the charity program, except for the cases provided for by this Law.
4. Providing voluntary donations is not reflected in the charity program.

Article 13. Charitable program

1. The charitable program is developed, approved and implemented by the benefactor.
2. The budget of the charitable program consists of revenue and expenditure.

The revenue side of the budget includes the measures provided for in paragraph 1 of Article 12 of this Law. The expenditure side of the budget includes the measures provided for in paragraph 2 of Article 12 of this Law.
3. The implementation of the charitable program is confirmed by the donor's report.

Article 14. Charitable organization

1. A charitable organization is created to fulfill the tasks of charity provided for by this Law.
2. The founders of a charitable organization are individuals and (or) legal entities.
3. A charitable organization has the right to engage in entrepreneurial activity, the income from which is used to provide charitable assistance and is not subject to redistribution between the founders.
4. Income from entrepreneurial activities of a charitable organization is subject to taxation in accordance with the tax legislation of the Republic of Kazakhstan.

Chapter 3. ORGANIZATIONAL BASIS OF CHARITY

Article 15. Charter of a charitable organization

1. The charitable organization operates on the basis of the charter.
2. The charter of a charitable organization contains:
 - 1) the name, subject and purpose of the activity;
 - 2) location;
 - 3) the structure, procedure for the formation and competence of management bodies;
 - 4) the rights and obligations of the members (participants) of the charitable organization;
 - 5) sources of property formation;
 - 6) the procedure for making changes and additions to the constituent documents;
 - 7) conditions for reorganization and termination of activities;
 - 8) the procedure for the use of property in the event of liquidation;
 - 9) information about branches and representative offices.
3. The charter of a charitable organization may also contain other provisions that do not contradict the legislation of the Republic of Kazakhstan.

Article 16. Governing bodies of a charitable organization

1. The supreme governing body of a charitable organization is its collegial body - the board of trustees, formed in the manner prescribed by the charter of the charitable organization.

2. The Board of Trustees appoints the executive body of the charitable organization, exercises control over the compliance of the charitable organization with the purpose of its charter, as well as other powers enshrined in the charter.

3. The competence of the supreme governing body of a charitable organization includes:

- 1) introduction of amendments and additions to the charter;
- 2) approval of the charitable program;
- 3) approval of the work plan, budget for the coming year, as well as the report for the past year;
- 4) making a decision on the reorganization or liquidation of a charitable organization.

4. The executive body of the charitable organization exercises the powers enshrined in its charter.

Article 17. Status of a charitable organization

1. Charitable organizations are subdivided into international and republican ones according to their status.

International charitable organizations include charitable organizations whose activities are spread on the territory of the Republic of Kazakhstan and beyond.

Republican charitable organizations include charitable organizations, the activities of branches and representative offices of which are distributed on the territory of the Republic of Kazakhstan.

2. Charitable organizations created and registered in accordance with the established procedure, regardless of their status, have the right to create unions (associations) of charitable organizations on the basis of constituent agreements and charters adopted by unions (associations), forming new legal entities, and also to be a member of international unions (associations).

Article 18. Property of a charitable organization, sources of property formation

1. A charitable organization owns property acquired in accordance with the legislation of the Republic of Kazakhstan.
2. The property of a charitable organization is formed from:
 - 1) income of the founder (founders)
 - 2) charitable donations, property contributions, donations, wills, endowments (endowments) provided by individuals and (or) legal entities, as well as other charitable organizations;
 - 3) receipts from charitable auctions and competitions for the sale of property received from benefactors;
 - 4) dividends (income, remuneration (interest) received on shares, bonds, other securities and contributions (deposits) owned by charitable organizations;
 - 5) charitable assistance of foreigners, stateless persons, as well as foreign and (or) international charitable organizations;
 - 6) other receipts not prohibited by the legislation of the Republic of Kazakhstan.
3. The property of a charitable organization cannot be used to support political parties, trade unions and electoral funds.
4. The property of a charitable organization or its part is not a subject of pledge.

Article 19. Formation of endowment capital (endowment)

1. Endowment capital (endowment) is formed by a charitable organization through the formation of assets in the national currency of the Republic of Kazakhstan or in foreign currency on the basis of an agreement (agreements) for the management and (or) lease of objects of charitable donation, donation, will in accordance with the norms of civil legislation of the Republic of Kazakhstan .
2. The formation of endowment capital (endowment) at the expense of movable and immovable property, as well as land plots is based on their market value in the national currency of the Republic of Kazakhstan.
3. The endowment (endowment) is replenished at the expense of dividends (income, remuneration (interest) received on shares, bonds, other securities and contributions (deposits) owned by charitable associations.
4. When the endowment capital (endowment) exceeds the amount of one hundred million tenge, the charitable organization transfers the trust management of the endowment capital (endowment) to the management company.
5. The endowment (endowment) of less than one hundred million tenge is managed by the board of trustees of the charitable organization.

Article 20. Use of endowment capital (endowment)

1. A charitable organization that has formed the endowment capital is obliged to use it in accordance with its charter.
2. The distribution of income from endowment capital (endowment) is carried out in accordance with the budget of the charitable program.
3. Income from endowment capital (endowment) is directed to the creation of charitable grants in the fields of education, science, culture, art, health care, sports, museum and archival affairs, environmental protection and nature management.
4. The number and size of charitable grants are established by the board of trustees or the management company in accordance with paragraphs 4 and 5 of Article 19 of this Law.

5. Administrative and managerial expenses of the management company related to the implementation of the endowment (endowment) management activities may not exceed twenty percent of the total annual income of the endowment (endowment).

6. The use of the charitable grant is carried out by the user in accordance with the agreement concluded with the benefactor.

Article 21. Dissolution of endowment capital (endowment)

1. The grounds for dissolution of the endowment capital (endowment) may be:

1) the use of endowment capital (endowment) in accordance with the agreement (agreements) of donation, gift, will;

2) the expiration of the term for which the target capital (endowment) was formed;

3) the decision to reorganize the management company;

4) the decision to liquidate the charitable organization;

5) decrease in the value of the initial amount of capital transferred by the benefactor (benefactors) by more than ten percent.

2. The decision to dissolve the endowment capital (endowment) shall be made by the board of trustees of the charitable organization if there is one of the grounds specified in paragraph 1 of this article.

3. A gross or repeated violation by the management company or charitable organization of the requirements of the charter on the formation and use of endowment (endowment) (or) the norms of this Law may serve as a basis for the dissolution of endowment (endowment) by a court decision

Chapter 4. PROCEDURE FOR PERFORMANCE OF PHILANTHROPIC ACTIVITIES

Article 22. Objects of philanthropic activity

The objects of philanthropic activity in accordance with paragraph 2 of Article 4 of this Law are:

1) orphans left without parental care, minors who are in a difficult life situation, in need of social rehabilitation, prevention of neglect and delinquency among them;

2) citizens of the Republic of Kazakhstan, foreigners, stateless persons, oralmans, as well as territories affected by emergency situations and needing to provide them with charitable assistance;

3) people with disability in need of physical culture and sports, creating favorable living conditions;

4) citizens of the Republic of Kazakhstan, foreigners, stateless persons, oralmans who are unable to independently exercise their rights and (or) resolve issues of their life support (legal representation, provision of legal assistance, guardianship, etc.);

5) persons who are registered in special medical institutions;

6) other objects.

Article 23. Philanthropic activities of an individual

1. An individual is engaged in philanthropic activities using the property that is in his personal property and (or) the results of his intellectual property.

2. An individual who is a volunteer of charity has the right to collect charitable donations in favor of a charitable association on the basis of a notarized power of attorney establishing the right to carry out such activities.

3. An individual who is a volunteer of charity and collects charitable donations must submit a report on its results to the benefactor.

4. An individual who is a civil servant is not entitled to collect charitable donations.

Article 24. Philanthropic activities of a legal entity

1. A legal entity that is a business entity is engaged in philanthropic activities using a part of its property that does not have encumbrances.

2. Legal entities engaged in philanthropic activities have the right to create temporary associations without forming a legal entity.

Chapter 5. PROCEDURE FOR EXERCISING SPONSORSHIP ACTIVITIES

Article 25. Sources of charitable assistance provided by the sponsor

1. Charitable assistance may be provided by a sponsor at the expense of property owned by the property and funds received from the promotion of the sponsor's name and (or) distribution of advertising, including social advertising.

2. Charitable assistance provided by the sponsor is not funded from the state budget.

Article 26. Sponsorship of an individual

1. An individual engaged in sponsorship activities has no right to disseminate information about a trademark, manufactured goods, services rendered that belong to third parties on the basis of ownership.

2. An individual engaged in sponsorship activities does not have the right to make changes (changes) in the name and content of a charitable event for which this person is providing charitable assistance.

3. Individuals who have created a simple partnership have the right to engage in sponsorship activities using a part of the property that is free of encumbrances, which is determined by the partnership to provide charitable assistance.

Article 27. Sponsorship of a legal entity

1. A legal entity engaged in sponsorship disseminates information about its own name, trademark, manufactured goods, services provided in accordance with the concluded agreement with the user.

2. A legal entity engaged in sponsorship activities does not have the right to make changes (changes) in the name and content of a charitable event for which it provides charitable assistance.

Chapter 6. PROCEDURE FOR CARRYING OUT SPECIALIST ACTIVITIES

Article 28. Objects of patronage activities

The objects of patronage activities in accordance with paragraph 2 of Article 4 of this Law are:

1) objects of science, education, culture, art, sports, historical and ethnocultural monuments, as well as citizens of the Republic of Kazakhstan, foreigners, stateless persons, oralmans working in these areas or contributed to their development;

2) citizens of the Republic of Kazakhstan, foreigners, stateless persons, oralmans in need of urgent paid treatment in medical institutions of the Republic of Kazakhstan and (or) abroad;

3) persons in need of personal scholarships for paid education and (or) professional development;

4) objects of charity that have suffered as a result of accidents and (or) natural disasters and require urgent charitable assistance;

5) other objects.

Article 29. Patronage activity of an individual

1. An individual engaged in philanthropic activities has the right to transfer property that is on the right of personal property, or property rights to it to the user in order to provide charitable assistance.

2. Patronage activities of an individual requiring urgent assistance to the user can be provided without developing a charitable program.

Article 30. Patronage activities of a legal entity

1. A legal entity engaged in philanthropic activities has the right to establish in the charitable program a charitable grant, an individual scholarship indicating their size in monetary terms, purpose, procedure for appointment and use.

2. The procedure for the use of a charitable grant, individual scholarship can be changed by the user with the consent of the legal entity.

3. The unused part of a charitable grant or individual scholarship is a returnable financial aid and is subject to return to a legal entity.

Chapter 6-1. The procedure for the implementation of activities to support the

small homeland

Footnote. The Law was supplemented with Chapter 6-1 in accordance with the Law of the Republic of Kazakhstan dated 02.07.2018 No. 165-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

Article 30-1. Objects of support for the small homeland

The objects of activity to provide support to the small homeland in accordance with paragraph 2 of Article 4 of this Law are:

- 1) an administrative-territorial unit of the Republic of Kazakhstan;
- 2) objects of science, education, culture, art, sports, territories located in the small homeland of a person who provides support to the small homeland;
- 3) other objects located in the small homeland of the person providing support to the small homeland.

Article 30-2. Activities of an individual to provide support to a small homeland

An individual is engaged in activities to provide support to a small homeland using the property that is in his personal ownership and (or) the results of his intellectual activity.

Chapter 7. FINAL PROVISIONS

Article 31. Responsibility for violation of the legislation of the Republic of Kazakhstan on charity

Violation of the legislation of the Republic of Kazakhstan on charity entails liability in accordance with the laws of the Republic of Kazakhstan.

Article 32. Procedure for the entry into force of this Law

This Law shall enter into force upon the expiration of ten calendar days after the day of its first official publication.

President of republic of Kazakhstan

N.Nazarbayev