

ANNOUNCEMENT

On some changes in the accounting and calculation of pension assets

UAPF JSC informs its contributors about the introduction of some changes and additions to the regulatory legal acts of the Republic of Kazakhstan on the regulation of the financial market.

The procedure for accounting for pension savings and the frequency of revaluation of the value of pension assets are determined by the Resolution of the Board of the National Bank of the Republic of Kazakhstan dated August 27, 2013 No. 237 *On approval of the Rules for the implementation of the activities of a unified accumulative pension fund and (or) voluntary accumulative pension funds*. By the Resolution of the Board of the Agency of the Republic of Kazakhstan on Regulation and Development of the Financial Market dated February 15, 2021 No. 31 *On Amendments and Additions to Certain Regulatory Legal Acts of the Republic of Kazakhstan on Financial Market Regulation*, the above Rules were amended in terms of the procedure for calculating the value of a conventional unit pension assets. According to the new procedure, settlement is carried out on a weekly basis **as of the end of the first working day of the week and at the end of the last calendar day of the month**.

The accounting and calculation of pension assets provides for the following methodological approach. Upon receipt of pension contributions to the individual pension saving account (IPSA) of the contributor (beneficiary), operations for crediting the received amount of pension contributions are carried out with their recalculation into the equivalent number of conventional units of pension assets, at the current value of the conventional unit as of the date of receipt of pension contributions. When paying pension benefits from the IPSA of a contributor (beneficiary), operations to write off the amounts of pension savings are carried out with their recalculation into an equivalent number of conventional units of pension assets, at the current value of a conventional unit as of the date of pension benefit payment.

Since pension assets are long-term investments, calculating the value of a conventional unit on **a weekly basis** (as of the end of the first working day of the week and the end of the last calendar day of the month) makes it possible to smooth out the daily possible fluctuations in pension savings on the IPSA of contributors (beneficiaries) caused by short-term market changes of the cost of financial instruments and investment return on them.

Thus, possible changes in statements from the IPSA provided to contributors (beneficiaries) in terms of investment income will be reflected at the end of the first business day of each week and at the end of the last calendar day of each month. At the same time, information on all receipts of pension contributions (penalties), on pension benefits and transfers made (to second-tier banks to authorized operators, insurance organizations, investment portfolio managers) will continue to be reflected daily, during transactions, in full.

UAPF was established on August 22, 2013 on the basis of GNPf APF JSC. The UAPF founder and shareholder is the Government of the Republic of Kazakhstan represented by the State Institution "Committee of State Property and Privatization" of the Ministry of Finance of the Republic of Kazakhstan. UAPF pension assets are managed by the National Bank of the Republic of Kazakhstan. From January 1, 2016, the functions for developing proposals to improve the management of pension assets were transferred to the National Fund Management Council. In accordance with the pension legislation, the UAPF attracts compulsory pension contributions, compulsory occupational pension contributions, voluntary pension contributions, pension benefits, individual accounting of pension accumulations and benefits, provides the contributor (beneficiary) with information on the status of his pension accumulations (for more information visit www.enpf.kz)