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ПЕНСИОННЫЙ ФОНД

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ANNOUNCEMENT

On changing the approach to the implementation of the state guarantee of the safety of pension savings

In connection with the questions received regarding the cancellation of the state guarantee for recipients of pension payments regarding the safety of their pension savings in the amount of actually paid compulsory pension contributions (CPC), compulsory occupational pension contributions (COPC) taking into account the level of accumulated inflation, the UAPF comments as follows.

The state guarantees and regulates.

Article 217 of the Social Code of the Republic of Kazakhstan provides that, from January 1, 2027, "*The State guarantees to recipients of pension payments the safety of compulsory pension contributions, compulsory occupational pension contributions in the unified accumulative pension fund in the amount of compulsory pension contributions, compulsory occupational pension contributions actually made.*"

The state guarantees the safety of pension assets by **regulating** the activities of the UAPF and private investment portfolio managers (IPMs), establishing investment requirements for the National Bank of the Republic of Kazakhstan (NBRK) and IPMs, requirements for diversification and risk mitigation when investing pension assets, and other regulatory standards.

NBRK manages pension assets with goals aimed at **preserving pension savings and achieving long-term real returns**.

The IPM bears statutory responsibility for the trust management of pension assets and, in the event of a negative difference between the nominal return received by the IPM and the **minimum return value** calculated in accordance with the regulator's requirements, compensates for the negative difference from the IPM's own capital.

The state provides multi-level control.

The pension asset investment management system remains under **multi-level government control.**

- **The National Fund Management Council (NFMC)**, chaired by the Head of State, determines the main directions of investment policy, considers proposals to improve management efficiency, and reviews annual reports on the UAPF's activities in terms of pension asset management.

- **The government** approves a list of financial instruments permitted for acquisition using pension assets held in trust by NBRK.

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- To ensure the safety of pension savings and the achievement of long-term real returns, **NBRK** develops and approves the UAPF investment declaration and manages pension assets.

At the same time, the Social Code of the Republic of Kazakhstan establishes the **principle of solidarity and collective responsibility of the state, employers, and citizens** in the social security system, including pension provision, as is accepted in international practice.

Participation of contributors in the management of pension assets.

Article 40 of the Social Code of the Republic of Kazakhstan grants contributors the **right to independently decide** whether to transfer their pension savings to the management of a IPM and/or maintain them under the management of NBRK.

In September 2026, legislative changes will also come into force, **expanding contributors' investment options**. While contributors can currently transfer up to **50%** of their compulsory and compulsory occupational savings and up to **100%** of their voluntary savings to IPM management, starting in the fall, they will be able to transfer both voluntary pension savings and savings formed through compulsory pension contributions (CPCs) and compulsory occupational pension contributions (COPCs) to IPM management **in full**.

Contributors have the right to **independently select one or more IPMs**, as well as various investment portfolios — that is, investment strategies for managing pension assets offered by IPMs, which vary in risk level, expected return, and investment term.

To assess the effectiveness of the investment management of pension funds, **composite indices** (benchmarks) tracked by leading global financial companies, such as MSCI and Bloomberg, as well as indices of Kazakhstan Stock Exchange JSC, are used. IPMs **guarantee** a set level of investment return, and if the return falls below the market benchmark, the IPM is obligated to compensate for the difference from its own capital.

Therefore, investors have the right to independently choose different investment asset managers and different investment strategies (portfolios) for their pension savings. Under market-based approaches to pension asset management, the legal and economic rationale for a **state guarantee of inflation** loses its significance.

Ensuring transparency in pension asset management.

UAPF, 100% owned by the government, is the single infrastructure institution in the pension market. With contributors exercising their right to transfer their savings to the management of investment portfolio managers (IPMs), the institutional role of the UAPF has expanded. UAPF is a unified accounting and information center for all contributors, operating their individual pension savings accounts **regardless of who manages** the assets (NBRK and/or the IPM, at the contributor’s discretion).

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UAPF provides accessible services related to pension asset management, fully reflecting information on individuals' savings in **statements 24/7**. Furthermore, an online information platform (invest.enpf.kz) has been launched for UAPF contributors as a modern digital resource that allows them to compare asset management results across **all managers** (NBRK and the IPM). Invest.enpf.kz provides access to performance information and allows for dynamic comparison of data across asset managers and their portfolios over a specified period.

Thus, the funded pension system and pension provision for Kazakhstanis as a whole remain under the regulation, control, and responsibility of the state. At the same time, the role of other participants—employees and employers—in the formation of pension savings increases, in line with international practice.

For reference. *Over the 28 years of its existence, Kazakhstan's funded pension system has demonstrated stability and sustainability. Pension assets amount to approximately 28 trillion tenge. The volume of pension benefits from the UAPF is constantly increasing: in 2024, it exceeded 1 trillion tenge, in 2025 – 1.5 trillion tenge, and over the first five months of 2026, pension benefits amounted to approximately 917 billion tenge.*

The share of investment income in total savings exceeds 40%. Over the long term, investment returns significantly exceed accrued inflation. Since the inception of the funded pension system in 1998, as of June 1, 2026, the cumulative return was 1,095.39%, with inflation for the entire period at 986.70%.

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