

ANNOUNCEMENT

How can I return pension savings from IPM trust management to the National Bank of the Republic of Kazakhstan?

With expanded opportunities for managing pension savings, citizens have the right, in accordance with the Social Code of the Republic of Kazakhstan, to transfer a portion of their savings from the trust management of the National Bank of the Republic of Kazakhstan (NBRK) to investment portfolio managers (IPMs), transfer funds from one IPM to another, and return pension funds from IPM management back to the NBRK.

Therefore, under current legislation, contributors have the right to reconsider previously made investment decisions based on their personal financial goals and preferences.

In response to inquiries regarding the procedure for returning pension funds from IPM management to the NBRK, the UAPF explains the conditions and steps involved in making this decision.

In accordance with paragraph 10, clause 1, Article 40, Chapter 5 of the Social Code of the Republic of Kazakhstan, contributors of compulsory pension contributions (CPC), individuals for whom employer's compulsory pension contributions (ECPC), mandatory occupational pension contributions (COPC), voluntary pension contributions (VPC) have been transferred, and recipients of pension benefits from the Unified Accumulative Pension Fund (UAPF) have the right to submit an application to the Fund for the return of pension savings held in trust by an IPM to the trust management of the National Bank of the Republic of Kazakhstan no earlier than one year from the date of transfer of pension savings to the trust management of the IPM.

If pension savings have been transferred to the trust management of the same IPM several times, the return of pension savings to the National Bank of the Republic of Kazakhstan is carried out no earlier than one year from the date of the initial transfer of pension savings to trust management.

The procedure and timeframe for the transfer of pension assets from the trust management of an IPM to the trust management of the National Bank of the Republic of Kazakhstan are determined by the rules approved by the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market (ARDFM).¹

The procedure for transferring pension savings from IPM trust management to the management of the National Bank of the Republic of Kazakhstan:

If a contributor decides to return pension savings from the IPM to the NBRK, they **submit an application** to the UAPF using the form established by the UAPF's internal documents, either in person or through the UAPF website, signed with an electronic digital signature. If a contributor submits an application to return pension savings from the IPM's trust management to the NBRK's, the Fund will transfer the funds within 30 calendar days of receiving the application.

In some cases, the return of pension savings from the IPM trust management to the NBRK management is carried out **automatically (without the mandatory requirement of submitting an application for the return of pension savings from the IPM trust management to the NBRK management):**

¹ Resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated May 26, 2023 No. 28 "On approval of the Rules and terms for the transfer of pension assets to the trust management of an investment portfolio manager and the transfer of pension assets from one investment portfolio manager to another investment portfolio manager or the National Bank of the Republic of Kazakhstan"

- within 10 business days - until reaching retirement age;
- within 2 business days from the date of receipt of an application for the appointment of pension benefits in connection with the death of a person with pension savings in the UAPF (for burial, to heirs), or a court decision that has entered into legal force, as well as in other cases stipulated by the Social Code of the Republic of Kazakhstan: for example, upon receipt of an application for the payment of pension savings from persons with disabilities of the first and second groups, if the disability is established indefinitely; the established package of documents from persons who have left for permanent residence outside of Kazakhstan, etc.
- within 10 business days from the date of termination of the trust management agreement for pension assets with the IPM, if the contributor has not exercised the right to transfer pension savings to trust management of another IPM.

The Fund notifies the IPM of the upcoming transfer of assets no later than 10 working days before the date of transfer of pension assets, except in cases related to the death of the contributor, a court decision that has entered into legal force, and other grounds provided for by law.².

The UAPF has the right to refuse the return of pension savings within 5 working days from the date of receipt of the corresponding application for return in the following cases:

- the contributor's identity document is invalid on the date of application;
- the application is submitted earlier than one year after the initial transfer of pension assets from the NBRK management to the IPM management (except in cases related to reaching retirement age, the contributor's death, a final court decision, termination of the trust management agreement with the IPM, and other grounds provided for by law³).

Refunds from IPM trust management to the National Bank of the Republic of Kazakhstan (NBRK) are made in the amount specified in the application for the return of pension savings. Upon receipt of a payment order for the return of the contributor's pension savings from the UAPF, the IPM custodian bank transfers the contributor's pension savings to the UAPF account at the NBRK within one business day.

UAPF was founded on August 22, 2013 on the basis of GNPf APF JSC. The founder and shareholder of the UAPF 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. Trust management of UAPF pension assets is carried out by the National Bank of the Republic of Kazakhstan. In accordance with the pension legislation, the UAPF attracts compulsory pension contributions, employer's compulsory pension contributions, compulsory occupational pension contributions, voluntary pension contributions, as well as carries out enrollment and accounting of voluntary pension contributions formed at the expense of the unclaimed amount of guaranteed compensation for the guaranteed deposit, transferred by the organization carrying out mandatory guarantee of deposits, in accordance with the Law of the Republic of Kazakhstan "On mandatory guarantee of deposits placed in second-tier banks of the Republic of Kazakhstan", ensures the implementation of pension benefits. The Fund also carries out accounting of target assets and target requirements, accounting and crediting of target savings (TS) to target savings accounts, payments of TS to their recipients in bank accounts, accounting for returns of TS in the manner determined by

² in the cases provided for in subparagraphs 2), 3) of paragraph 1 and paragraph 1-1 of Article 220, subparagraphs 2), 2-1) and 3) of paragraph 1 of Article 221, paragraph 1 of Article 223 of the Code;

³ in the cases provided for in subparagraphs 2), 3) of paragraph 1 and paragraph 1-1 of Article 220, subparagraphs 2), 2-1) and 3) of paragraph 1 of Article 221, paragraph 1 of Article 223 of the Code;

the Government of the Republic of Kazakhstan within the framework of the National Fund for Children program (More details at www.enpf.kz)