Regulations
Approved by the Meeting of the Board of the National Bank of the Republic of Kazakhstan. Minutes No 22

Concerning the Settlements with Cheques

The 15th of November, 1994

I. General Provisions

1.1. The cheque shall be a written instructions from a client of a bank (cheque issuer) to the bank, formulated on the special-purpose pro-forma, to transfer an amount of monetary resources from his account to the account of the receiver (cheque holder).

1.2. Cheques shall be used by legal entities and physical persons in settlements for the received inventories, services rendered, and in any other cases stipulated by thsese Regulations.

1.3. The cheques shall be divided into the following types:

- the cheques from the cheque settlement book;
- the cheques from the chequebook of an investor.

1.4. The cheques from the cheque settlement books shall be used for carrying out settlements between legal entities.

The chequebooks of the investors shall be issued by banks to physical persons for the latter carrying out the settlements and receiving physical cash resources.

1.5. A chequebook shall be issued by the bank to the client under the condition that the client is served by the bank for not less than 6 months, an where the bank has reasons to believe in honesty and fairness of his client.

1.6. The pro-formas of the indicated types shall be manufactured by the Directorate of Manufacturing Enterprises of the National Bank of the Republic of Kazakhstan, in accordance with the orders by banks of the Republic of Kazakhstan. The pro-formas shall have the caption «Cheque» and they shall be brochured into books with covers. The model of a chequebook shall be established by the National Bank of the Republic of Kazakhstan. The degree of protection of the cheques shall be determined by the National Bank of the Republic of Kazakhstan. The blank chequebooks shall be the documents of the strict registration.

1.7. Any cheques which are issued by the banks of the Republic of Kazakhstan shall be subject to acceptance and payment by the banks of the Republic of Kazakhstan and their clients within a region (oblast) where the issuing bank is located. The cheques shall be drawn only in the National currency of the Republic of Kazakhstan, the Kazakhstani Tenge.

II. The Cheques of the Cheque Settlement Books

1. The Procedure for Issuing and Using Cheques of the Cheque Settlement Books

2.1.1. The cheque settlement book (henceforth, the chequebook) shall consist of 25 pages, each of which shall consist of two parts: the cheque proper and its counterfoil.

2.1.2. In order to be issued a chequebook, an enterprise shall submit to the bank the application of the established form in one copy, signed by the persons to whom the right is granted to commit transactions in the account of the etnerprise and sealed with the enterprise's stamp (Supplement 1). The number of the account from which the cheques of this book shall be paid (balance sheet account No 722) shall be indicated in the application and the coupon to it.

(the official text does not have the item of 2.1.3).

2.1.4. When being issued a chequebook, together with the application to be issued the chequebook, the enterprise shall present the payment order for depositing the resources in the personal account which is opened for the enterprise in the balance sheet account No 722 «Settlement Chequebooks». In the bottom part of the payment order the mark shall be made: «For the Settlement Chequebook (Books) for Settlements with Business Entities for Goods and Services».

The minimum and the maximum amounts chequebooks shall be established by the issuing bank, which knows the financial requirements of its clients.

2.1.5. The bank accountant who maintains the account of the client shall:

- check the accuracy of fulfilment of the payment order and the application to be issued the chequebook. Compare signatures and the seal of the business entity with those in the card for sample signatrues, the amount in words and the amount in figures of the payment order, account numbers in debit and credit and all the other indicated requsites;
- fill-in the coupon of the application, where he shall indicate the account number of the receiver, the number of the chequebooks, the signature and he shall pass the application to the front office for the issue of the chequebook (books).

The front-office worker upon checking the completeness and accuracy of the fulfilment of the application, shall idicate in the coupon the numbers from and to of the chequebook, sign, open the coupon and together with signing in the book for the registration of the strict registration documents, passes it to the accountant who maintains the account of the client.

The accountant of the bank who maintains the client's account shall fill-in the following:

- the second page of the cover of the chequebook, in which he shall indicate the following details:

a) the expiry date of the chequebook,
b) the name of the owner of the chequebook,
c) the account number of the owner of the chequebook, i.e. the balance sheet account No 722,
d) the registration number of the taxpayer (RNT) who is the owner of the book,
e) the number of the branch of the bank,
f) the numbers of cheques from and to,
g) the total amount of the chequebook in figures and in writing*,
h) the date of the issue of the chequebook,
i) the seal and signatures of the bank,

- each page of the book, indicating the following details:

a) by stamping, the number of the branch number and its name,
b) the registration number of the taxpayer (RNT) who is the issuer of the cheque,
c) the name of the cheque issuer,

On the basis of the payment order, from the account which is indicated in it, the accountant who maintains the account of the client shall write off the total amount of the chequebook and he shall include it into a separate personal balance sheet account No 722 «Settlement Chequebooks». Simultaneously with the inclusion of the resources into the balance sheet account No 722, the registration card shall be opened for issued chequebooks in which the following details shall be indicated:

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* The amount in writing shall begin with a capital letter from the very beginning of the line, the free space in the requisit «amount in words» and after the sum shall be struck through with two lines

a) the name of the cheque issuer who received the chequebook and his balance sheet account No 722,
b) the cheque number (from the number to the number),
c) the term of the chequebook,
d) for settlements with whom and for what,
e) the closure date of the book,

- takes a sample signature from the cheque issuer;

- on the basis of the coupon of the application, he shall issue the off-balance sheet expenditure order for the writing off of the chequebook as expenditure of account No 9959 «The Strict Registration Documents» and the acceptance front-office order for the acceptance of the payment received from the owner of the chequebook, or else he shall attach the copy of the payment order with the mark «the payment for the book was transferred in a non-cash procedure»;

After the appropriate documentation, the accountant of a bank shall pass all the documents and personal accounts to the comptroller.

2.1.6. The comptroller shall check the accuracy of the compilation of the orders, entries in the accounts of the client, the accuracy of the entries of details of the chequebook and he shall pass it to the chief accountant of the bank for signature and for stamping.

After affixing the signature and the stamp, the chequebook shall be returned to the accountant who started the transaction.

2.1.7. The accountant of the bank upon receipt of the processed chequebook shall explain to the receiver of the chequebook the procedure of its use in accordance with these Regulations.

2.1.8. When returning the 3rd copy of the accepted payment order, the receiver of the chequebook, shall be obliged to sign in the special-purpose accounting book to confirm the receipt of the chequebook. Then the accountant shall pass the chequebook and the cash acceptance order to the front office, or the copy of the payment order with the mark of the payment.

The amounts of payments received from selling chequebooks shall be included by the bank into Balance sheet account No 960 «Operational and Various Income» section 20 «Other Income».

2.1.9. The cash officer shall check the signatures and stamp on the second page of the chequebook, calculate the number of pages and completeness of each cheque and he shall receive the amount of payment for the book and hand the book to its owner. After the receipt of the non-balance sheet expenditure order and the application coupon, the cash officer shall affix a mark in the special-purpose book opposite to the signature of the receiver and accountant of the writing off of the chequebook.

2.1.10. Where necessary, it shall be permitted to issue several chequebooks upon one application. In that case on the face side the required number of books and the amount for each of the chequebooks shall be indicated, which must not exceed the total amount of deposited resources. The expedience of issuing several chequebooks to a client shall be determined by the issuing bank.

When depositing resources in a bank institution, the following entries shall be made:

debit of the client's account;

credit the personal account of the client in the balance sheet account No 722

2.1.11. A chequebook shall be valid within six months. For organisations and institutions, and also construction facilities which are financed at the expense of the budgetary resources, the period of validity of the chequebook shall be established until the 31 st of December of the current year, irrespective of the date of its issue.

The cheques which are written out after the date indicated in the chequebook, shall be invalid and they shall not be accepted for payment.

2.1.12. The chequebook cheques shall be prohibited to be used in the following:

1) carrying out prepayment of goods and services;
2) settlements with physical persons.

It shall not be permitted to obtain unused balances from the amount of a cheque in cash, or to exchange cheques for physical cash money.

2. Settlements with Cheques from Settlement Chequebooks

2.2.1. When issuing a cheque from a chequed book, the sequence of their numbers must be observed.

2.2.2. Cheques shall be issued after the establishment of the amount of payment. It shall be prohibited to transfer chequebooks by their owners to the receivers of the resources and any other persons and signing of blank cheques.

2.2.3. An owner of a chequebook, when issuing a cheque shall fill-in the following details:

a) the amount of cheque in numbers and in words;

b) the date of the issue of the cheque (date and month in figures and the month in words);

c) affix his siganture and stamp which correspond to the sample in the registration card.

In the counterfoil of the cheque:

- the balance of the amount prior to the committment of the transaction, amount of cheque and the new balance of the book; the balance shall be put in figures and words, he shall affix the date of the issue of the cheque and his signature.

2.2.4. The chequeholder accepting the cheque for payment in the box «Mark of the Chequeholder of Accepting the Cheque for Payment» of the cheque shall affix the stamp wherein the name of the chequeholder must be indicated and the number of his settlement account.

2.2.5. Cheques shall be signed by the persons who have the right to sign payment documents for the settlement, current or budgetary account and they must have the reprint of the seal of the owner of the book.

2.2.6. Corrections and cleanings in cheques shall not be permissible, as they render cheques invalid. If , when filling-in a cheque, a mistake is made, then both in the cheque and the counterfoil of the cheque in a diagonal there shall be put the word «Ruined» and the date and signature shall be affixed of the owner of the book.

2.2.7. A completed cheque shall be separated from from its counterfoil and accepted for payment only after its review by the chequeholder. The latter prior to the acceptance of the cheque for payment must:

- identify the person who presented the cheque for payment, using the passport or the document which substitutes tha passport;
- review the accuracy of the entries of the cheque, whether there are any traces of cleanings or corrections, the accuracy of the entries of the document which identifies the person of the owner fo the chequebook and his signature in the proper place;
- the accuracy of the balance in the counterfoil of the cheque;
- the numeration of the counterfoils of cheques.

2.2.8. A cheque shall be accepted by the chequeholder for payment on the date of its issue and it must be presented by the chequeholder to the servicing banking institution on the working day following the day of the acceptance for payment. The validity term of a cheque from a chequebook shall be 10 calendar days, exclusive of the date of the issue.

2.2.9. Affiliates, structural and productive units which are not legal entities (henceforth - structural units), in the place of location whereof the settlement sub-accounts of amalgamations and enterprises are opened, may receive cheques from the chequebooks of payers and submit them for payment to banking institutions in the place of location.

2.2.10. A chequeholder shall present to the bank the cheques from the chequebooks for conducting a payment and he shall attach to them registers.

A register shall be compiled on the special-purpose pro-forma in which the details are indicated of all the cheques which are presented to the bank for payment.

In that respect, the registers of cheques must be compiled for each bank separately. The cheques from the chequebook shall be attached to the register.

In the register, it shall be required to indicate the following details:

a) the name of the payer and the receiver;

b) the account number of the receiver;

c) bank branch number and its correspondent account;

d) name of the CCC, where the correspondent account is opened;

e) cheque number;

f) account number and the amount.

The registers may be signed by the persons who are delegated the right to sign the documents for committing transactions in the account of the enterprise, and also by the persons who are authorised by the manager of the enterprise, i.e. the persons who accept the cheques for payment.

2.2.11. The cheques and the registers attached thereto, which are received by a bank, shall be checked by the accountant, cash officer and comptroller of the front office recalculation in respect of the accuracy of the formulation of the registers, indications of the status of the person who signed the register, and also indications of the details of cheques and compliance with the deadlines of their validity. When the registers are submitted by structural units on behalf of amalgamations or enterprises, the existence shall be checked in the register of the name of the structural unit.

2.2.12. A cheque issued in violation of the requirements established by these Regulations, and also with mistakes in the indications of details, with corrections in them, shall be recognised as defective and they shall not be acceptable for payment by banks.

The ammounts of defective cheques shall be struck-off from the register with the adjustment of its balance and such cheques shall be returned to the supplier under his signature on the first copy of the register.

2.2.13. When accounts of the cheque issuer and the chequeholder are maintained in one banking institution, then cheques shall be presented by the chequeholder to the bank together with the register of cheques on the established pro-formas in three copies. The first copy shall be used as a memorial order and together with the cheques it shall be placed among the documents of the day, the second shall be attached to the extract and it shall be handed to the cheque issuer, and the third one with the stamp «Accepted for Payment» shall be given to the chequeholder as a confirmation of receipt of the cheque. In that respect, the banking institution shall make the following entry:

debit - 722 personal account of the chequeissuer;

credit - settlement account of the chequeholder;

2.2.14. When a chequeissuer and chequeholder are served by different banking institutions, then the chequeholder, then the chequeholder shall present to the bank the cheques attached to the register in 4 copies. The last copy of the register with the note of the bank shall be returned to the chequeholder as a confirmation of receipt of the cheques. Two copies of the registers and the cheques shall be transferred to the bank of the chequeissuer, of which the first remains among the documents for the bank of the chequeissuer, the second one together with the extract from the personal account shall be given to the chequeissuer. The third copy of the register shall remain among documents for the bank of the chequeholder.

When cheques are received in the bank of the chequeholder, the amount in the banking institution shall be included into separately-open transit account No 900 «Separate Transit Account of Amounts of Cheques Submitted by Chequeholder for Payment». The indicated balance-sheet account shall be opened in Section 20 of the balance-sheet, a liability account. In the banking institution, a transit personal account shall be opened. Into that account, amounts of registers of the cheques accepted for payment shall be included for processing by the Clearing Chamber. In that respect, entries are made for each amount of the register:

debit - account of the Clearing Chamber;

credit - balance-sheet account No 900 (separate transit account for the amounts of cheques, which are presented by the chequeholder for payment).

2.2.15. The procedure for transferring documents between banks and conducting transactions in conrrepondent accounts of banks, in relation to the results of the clearing, shall be established by Regulations «Concerning the Clearing Chamber of the National Bank of the Republic of Kazakhstan» for carrying out the clearing of cheques.

2.2.16. Cheques which are received by the bank from the Clearing Chamber shall be subject to audit by the accountants who keep the accounts of chequeissuers.

An accountant who maintains the account of a chequeissuer, must check against the registration card whether cheques with those numbers were issued, and the accuracy of the completion of the cheque and the register.

2.2.17. A cheque shall be recognised as counterfeit where:

- the cheque submitted for payment or received from the Clearing Chamber was not issued by the bank indicated in the cheque;
- the form of the cheque does not comply with the established model;
- the signature of the person authorised by the chequeissuer is not identical to the sample signature which is on the account card of the cheque issuer;
- the stamp of the seal of the chequeholder does is not identical to the sample stamp which is on the account card of the chequeissuer.

2.2.18. The accountant of the bank who maintains the account of the chequeissuer who is indicated in the cheque, in the case of establishing a counterfeit or deffective cheque, must to report on that to the chief accountant. The chief accountant must immediately report on the revealing of counterfeit or deffective cheques to the the Clearing Chamber by means of the telephone or facsimile, indicating in that respect, the details of such cheques and lists in accordance wherewith they were transferred to the Clearing Chamber.

The Clearing Chamber upon receiving from the bank of the above-mentioned communication shall be obliged to immediately suspend the course of processing the information associated with the listed cheques by excluding it from the «General Clearing Matix».

2.2.19. The accountant of a bank who identified a counterfeit or defective cheque shall in conjunction with the comptroller compile the act of indentification of a counterfeit or defective cheque. The act on the identification of a counterfeit cheque shall be compiled in 5 and upon the identification of a defective cheque, - in 4 copies in accordance with the pro-forma indicated in supplement No 2 to these Regulations, and it shall be approved by the leadership of the bank.

2.2.20. A counterfeit cheque and the first copy of the act shall be subject to immediate conveyance to the bodies of internal affairs for instituting a criminal case. In that respect, a photo copy shall be made of the counterfeit cheque, which on the other side shall be certified by the investigator of the bodies of the internal affairs who carries out preliminary investigation.

2.2.21. The certified photocopy of the counterfeit cheque and the 3rd copy of the act shall be subject to transfer to the bank of the chequeholder by the Clearing Chamber on the day following the day of detecting the above-mentioned cheque.

2.2.22. A defective cheque shall be returned to the bank of the chequeholder together with the 3rd and 4th copies of the act by the Clearing Chamber on the day following the day of its detection.

2.2.23. The second copies of the acts shall be conveyed to the Clearing Chamber for the annulment of the information upon the results of the previous day.

2.2.24. The bank of the chequeholder must accept the returned defective cheques and copies of the counterfeit cheques with the attached acts.

In that respect, the following entries shall be made in the bank of the chequeholder:

debit - the separate transit account No 900 (by the amount of the counterfeit or defective cheque)

credit - the account of the Clearing Chamber No 162.

2.2.25. The bank having received the extract from the National Bank from the correspondeent account, on the same day makes the following entries:

In the case of «a negative» result:

debit - account of the Clearing Chamber, No 162

credit - internal correspondent account

debit - separate transit account, No 900

credit - settlement account of the cheque holder

debit - personal account of the client on the balance-sheet, No 722

credit - account of the Clearing Chamber, No 162

In the case of «a positive» result:

debit - the internal correspondent account

credit - account of the Clearing Chamber, No 162

debit - separate transit account No 900

credit - settlement account of the chequeholder
debit - personal account of the client in the balance-sheet account No 722
credit - account of the Clearing Chamber, No 162
(see examples 1-2, Supplement No 3).

2.2.26. On each cheque which has not been used because of the expiry of the term of validity of the chequebook or lack of resources in the account 722, the owner of the chequebook shall be obliged to make the entry «Cancelled» and to return the chequebook to the bank which is its issuer.

2.2.27. Replenishment of the amount of a chequebook, in relation to the depletion of the deposited amount, may be carried out not more than four times within the term of effect of the chequebook, and it must not exceed the amount of the monetary resources in the settlement account of the owner of the chequebook.

For the replenishment of the amount of a chequebook, the owner shall present to the bank, together with the payment order, the relevant chequebook.

In the the instructions, in the line «Designation of Payment», it shall be indicated «Replenishment of the Amount of the Chequebook with Unused Cheques from No __ to No ___».

2.2.28. When unused amount exists for chequebooks at the moment when the term of their validity expires, or further settlements with cheques are terminated by the enterprise, the onwer of the books must submit them to the bank. The payment order for the inclusion of the unused amount of balance into the account from which the resources had been deposited, shall be attached to the chequebooks. In that respect, in the order, in the line «Designation of Payment» it shall be indicated «Closure of Unused Amount of Balance on the Chequebook with Unused Numbers from No __ to No __».

2.2.29. Upon request of the client the manager of the banking institution may permit to leave the unused balance of the resources in the account No 722 and when establishing the amount of a new chequebook to reckon that amount of balance.

2.2.30. The accountant of the bank must check against the counterfoils the fulness of the passage of cheques, and in the case of non-payment of one of the issued cheques, he must not close the balance by the amount of unprocessed cheque. In the closure of a book, in the registration card, an entry shall be made of the closure of the chequebook.

2.2.31. In the cases where after a complete use of the cheques of a chequebook, the amount happens to be undepleted, the client, upon his application may be issued a new chequebook for the unused deposited amount. The validity period of the new book shall be measured from the date of its isse.

2.2.32. When a chequebook is lost, the owner must immediately infrorm of that the bank which issed the chequebook in the form of an application, with an indication of the numbers of unused cheques.

2.2.33. The accountant who maintains the account of the owner of the chequebook upon receipt of the application of the loss of the chequebook, shall make an entry in the registration card of the numbers of the lost cheques which are not subject to payment.

The unused amount on the basis of the order of the owner of a lost book shall be written-off from his 722 account and it shall be included into his settlement or any other account from which the deposit of the resources had taken place.

2.2.34. In the case of a necessity, in accordance with the payment order of the client, either part of the amount or the entire amount may be written-off from the 722 account into his settlement or any other account. In that respect, in the chequebook, for the amount to be written-off from 722 account, re-calculation shall be made of the balance and a new balance is established upon the deduction of the amount to be written-off.

When filling-in the payment order, in the line «Designation of Payment» there shall be indacated «Replenishment of Resources in the Settlement (Current) Account) at the Expense of the Amount Deposited in 722 Account».

In the case where the total amount is to be written-off, the owner of the book must put the sign «Cancelled» on each cheque and return the chequebook to the bank which issed it.

III. Cheques from the Chequebook of an Investor

1. Procedure for Issuing and Using Cheques from an Investor Chequebook

3.1.1. An investor chequebook (henceforth, chequebook) shall consist of 25 pages, eache of them consist of two parts, i.e. the cheque and its counterfoil.

3.1.2. A chequebook shall be issued by a banking institution or its branch to its investors to any amount in full tenge within the limits of the balance of resources in the account of the investor.

3.1.3. At the discretion of the investor, the bank may issue an individual cheque from the chequebook. The procedure for issuing and using chequebooks, which is presented hereunder, shall also apply to individually-issued cheques, except that an individually-issued cheque must have the sign «Individual», which is printed in the lower right corner of the cheque. All the details of an individual cheque must be filled-in by the accountant of the bank when issuing it.

3.1.4. Issuing to an investor of a chequebook or individual cheque by bank or its branch shall be carried out upon the basis of the application of the investor, his investment book, passport or the document which substitutes the passport.

In the application and coupon attached to it, the account number shall be indicated, from which cheques of that book are to be paid (the balance-sheet account No 711).

3.1.5. The accountant of a bank who is engaged in the documentation of the transactions associated with investments must:

- establish the identity of the receiver of the chequebook, and also cheque the identity of the siganture of the investor in the application to the sample siganture which is in the card of the personal account associated with the investment;
- receive from the cash officer of the bank, upon signing the receipt in a separate book, a blank chequebook;
- fill-in the second page of the cover of the chequebook, where he shall indicate:

a) surname, name, patronimic of the owner of the book;
b) account number of the owner of the chequebook;
c) serial number of the passport, by whom and where it was issued;
d) number of the banking institution;
e) cheque numbers from number to number;
f) amount of the chequebook in figures and words*

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* The entry of the amount must start with a capital letter at the very beginning of the line, empty space in the box «amount in figures» and after the number in words is struck-through with two lines;

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g) date of the issue of the chequbook;
h) seal and signatures of the bank;

- fill-in each cheque of the book, indicating the following details:

a) by stamp, - the number of the banking institution and its name,
b) account number of the chequeissuer;
c) serial number of the passport, by whom and where it was issued,
e) surname, name, patronimic of the chequeissuer in full;

- write off the amount of the chequebook or individual cheque from the personal account based on the investment and investment book, and include into a separate interest-free personal account in the balance-sheet account No 711 «Investments of Citizens». In the interest-free account he shall indicate the numbers of the issued cheques (from number to number) and take the sample signature of the investor;
- issue an off-balance-sheet expense order for writing-off as expenditure from the account No 9959 «Blank forms of Strict Accountability» of the blank chequebook and the cash receipt order to include the amount of payment for the issued book.

After the appropriate documentation, the accountant of the bank shall pass all the documents and personal accounts to the comptroller.

3.1.6. The comptroller shall check the accuracy of complillation of the orders, entries in the accounts of the client, the correctness of filling-in the details of the chequebook and he shall give it to the chief accountant for signing and affixing the seal.

After the affixing of the sigantures and seal, the chequebook and materials of accounting shall be returned to the accountant who began the transaction.

3.1.7. The accountant of the bank, upon receiving the documented chequebook shall explain to the investor the procedure for using the chequebook and its applications in accordance with these Regulations.

3.1.8. When the investment book and passport are returned, the investor must sign in a special-purpose accounting book that he received a chequebook. After that the accountant shall pass the chequebook and the cash receipt order to the cash office.

The amount of payment which is received from selling chequebooks shall be included by banks into the balance-sheet account No 960 «Operational and Various Income» line 20 «Other Income».

3.1.9. The cash officer shall check the signatures and seal on the second page of the chequebook, calculate the number of pages and receive the amount of payment for the book and hand it to the owner. After receiving the off-balance-sheet expense order, the cash officer shall make the entry in the special-purpose book, opposite the signature of the accountant and receiver of the chequebook, of the writing-off of the chequebook as expense.

3.1.10. Settlements with cheques from the chequebooks of the investor shall be carried out from the special-purpose balance-sheet account No 711 «Chequebooks and Cheques of Investors», in accordance with the procedure established by these Regulations.

When resources are deposited in a banking institution, the following entry shall be made:

debit - investor's account;

credit - personal account of the investor in the balance-sheet account No 711.

2. Settlements with Cheques from an Investor Chequebook

3.2.1. Cheques shall be written out in observance of the sequence of their numbers when establishing the amount of payment. It shall be prohibited to transfer chequebooks by their owners to the receiver of the resources and any other persons, and also the filling-in of signed blank cheques.

3.2.2. An owner of a book, when issuing a cheque for purchased goods or rendered services, shall issue the cheque by filling-in the following details:

- amount in figures and words;
- date of the issue of the cheque (date, year in figures, month in words);
- affix his signature corresponding to the sample in the registration card.

In the counterfoil of the cheque:

- amount of balance prior to the committment of the transaction, amount of cheque and the new balance in the book; the balance shall be put both in figures and words; put the date of the issue of the cheque and his siganture.

3.2.3. A chequeholder, when accepting a cheque for payment, in the box «Note of the Chequeholder of Accepting of the Cheque for Payment» both in the cheque and its counterfoil shall put the stamp which must indicate the name of the chequeholder and his settlement account.

3.2.4. Corrections and cleanings in cheques shall be prohibited as they render cheques invalid. When a mistake is made in filling-in of a cheque, then on both the cheque and its counterfoil in diagonal there shall be the mark «Spoilt», and the date and signature of the owner shall be affixed.

3.2.5. A completed cheque shall be separated from its counterfoil and it shall be accepted for payment only after its review by the chequeholder.

3.2.6. When cheques from a cheque book are used fully and there remains an amount associated with the book, or upon expiry of the need, the investor (owner of the book) must return the cheque book to the bank together with the application, in the format at his discretion, of the request to transfer the amount of the balance into the investment account. Together with the indicated application, the investment book shall be presented also for effecting the appropriate entries.

When on the balance-sheet account 711 there is no remainder of the monetary resources, and there are unused cheques, they shall also be subject to cansellation and making entries in the personal account of the client in the bank which issued the cheque book.

3.2.7. When a chequebook is lost, its owner must immediately notify of that the bank which issued the cheque book, in the form of an application indicating the numbers of the unused cheques.

3.2.8. When an application of the loss of a chequebook is received, in the registration card of the bank the entry shall be made of the numbers of the lost cheques which are not subject to payment.

The unused amount, on the basis of the application of the investor shall be written-off from his 711 account and it shall be included either into the investment account or into any other account from which depositing had been made.

The issue at the expense of that amount of a new chequebook shall be carried out upon expiry of four months from the date of receipt by the bank of the application of the loss of the book.

3.2.9. When an owner of a chequebook presents a cheque to pay for goods and services, to a worker of an enterprise, institution or organisation (henceforth, enterprise), to whom the functions of accepting such cheques are delegated, the latter shall be obliged as follows:

- identify the person of the onwer of the chequebook, using passport or the document which substitutes the passport;
- review the accuracy of the completion of the cheque, where there are any traces of cleanings and corrections, the accuracy of filling-in the detains in the document which identifies the person of the owner of the chequebook and whether there is his signature in the appropriate box;
- the accuracy of the balance indicated in the counterfoil of the cheque.

3.2.10. After the indicated review, the cheque shall be separated from its counterfoil and accepted for the payment of goods and services.

3.2.11. A cheque shall be accepted by an enterprise on the date of its issue,without changing its date which is indicated in the cheque. The validity term of a cheque from a chequebook shall be 10 calendar days, exclusive of the date of issue.

3.2.12. In the case of accepting a cheque to pay for goods and services with cleanings and corrections in the text, with expired term of effect, and also without signature of the owner of the book, the financial responsibility for the acceptance of such cheque shall be borne by the chequeholder. Banks shall not accept such cheques for execution.

3.2.13. Cheques which are accepted to pay for goods and services together with the registers, shall be submitted by the chequeholder to hes service bank.

3.2.14. The acceptance by the encashment officers of the bags of enterprises with cash money and cheques shall be carried out in accordance with the procedure and on the conditions which are stipulated in the agreement on encashment of monetary receipts between the enterprise and the bank which carries out the encashment.

3.2.15. A chequebook shall not be limited by the term of validity. A new chequebook may be issued to the investor under the condition of complete use of the previously-received book.

3.2.16. When issuing a chequebook to an investor, payment shall be levied from him for the book, the amount whereof shall be established by banks independently.

3.2.17. The cheques received from chequebooks shall be audited by the accountant, cash officer and the comptroller of recalculation cash office, in respect of the accuracy of their

formulation (signatures, matching the amounts in figures and words, seal of enterprise which confirms the receipt of the cheque as payment and the siganture of the officer of the enterprise).

Where a chequeissuer and chequeholder are serviced in one bank, then the accountant who maintains the account of the chequeissuer, must check aganst the registration card whether cheqhes with such numbers were issued.

The cheques which may not be accepted by a bank, shall be returned to the enterprise which accepted them as payment. On the other side of such a cheque, in the accompanying forms, there shall be entry of the reason for the return, which shall be signed by the cash officer and the comptroller.

3.2.18. When the chequeissuer and the chequeholder are serviced by one bank, then the bank shall make the following [accounting] entries:

debit - personal account of the chequeholder No 711

credit - settlement (investment) account of the chequeholder.

3.2.19. When a chequeissuer and the chequeholder are serviced by different banking institutions, then in the bank of the chequeholder the amount of the received cheque shall be included into a separately-opened transit account No 900 «Separate Transit Account for Amounts of Cheques Which are Submitted by Chequeholders to be Paid». The indicated account shall be opened in Section 20 of the balance-sheet, liability account. In a banking institution a separate transit personal account shall be opened. The amount of registers of the cheques accepted for clearing through the Clearing Chamber shall be insluded into this account. In that respect, the following accounting entry shall be made:

debit - account of the Clearing Chamber, No 162

creitd - separate transit account No 900

The procedure for the passage of cheques between banks shall be established by Regulations «Concerning the Clearing Chamber of the National Bank of the Republic of Kazakhstan for Conducting Clearing of Cheques».

3.2.20. The cheques which are received by the bank from the Clearing Chamber shall be subject to audit by the employees who maintain the accounts of chequeissuers.

In the case of detecting a counterfeit cheque or for any other reasons why a cheque may not be accepted for processing, it shall be required to use paragraphs 2.2.16.-2.2.23. of Chapter II of these Regulations as guidance.

A bank, upon receiving the extract-statement from the correspondent account, shall on the same day make the following accounting entries.

In the case of a «negative» result:

debit - account of the Clearing Chamber, No 162

creidt - internal correspondent account

debit - separate transit account No 900

creidt - settlement (investment) account of the chequeholder

debit - personal account of the client on the balance-sheet account No 711

credit - account of the Clearing Chamber, No 162

In the case of a «positive» result:

debit - internal correspondent account

credit - account of the Clearing Chamber, No 162

debit - separate transit account No 900

credit - settlement (investment) account of the chequeholder

debit - personal account of the client on the balance-sheet account No 711

credit - account of the Clearing Chamber No 162

3.2.21. The unused cheques upon expiry of the term of effect of the chequebook or for lack of resources in account 711 must be cancelled by the owner of the book.

3.2.22. The replenishment of amounts, transactions associated with the unused amounts of cheque books for physical persons, and also the actions of bank employees in the case of a loss of a chequebook by its owner, shall be carried out in accordance with the procedure established by these Regulations for chequebooks of legal entities.

3. The Procedure for the Payment upon a Cheque from a Chequebook of [Physical] Cash Money

3.3.1. An owner of a chequebook may receive upon a cheque, cash money in the bank which issues the chequebook, or in its brance which is located in the territory of the Republic of Kazakhstan.

3.3.2. When filling-in a cheque to be paid on it cash money, an owner of a chequebook in the box «This Cheque is Issued as Payment for Good (Services)» makes the entre «for receiving cash money from _____» (indicate the name of the bank to which the cheque is to be presented for receiving cash money).

3.3.3. When receiving a cheque to pay cash money, the accountant of the banking institution shall:

- establish the identity of the owner of the chequebook by his passport or the document which substitutes the passport;
- review the accuracy of the formulation of the chequebook and the cheque (correspondence of the serial number which is on the control coupon and the second page of the cover with the numbers of the cheques which are in the book, whether threr are nay traces of cleanings and corrections, especially in the amount written in figures and words, visible differences in the handwriting and colour of ink, correpondence of the cut-out of the control figures with the amount of the chequebook, the accuracy of the balance in the counterfoil of the preceding cheque, the accuracy of the filling-in in the other side of the passport details etc.).

3.3.4. When any doubts arise, or defects are detected in a chequebook, the bank which received the cheque shall notify the bank which issued the chequebook. The transactions shall be carried out after receiving the response. The request shall be made with the consent of the owner of the chequebook and at his expense.

3.3.5. Upon establishing that the chequebook and the cheque for receiving cash money are formulated accurately, the accountant of the bank shall issue a cash expense order in the amount of the cheque and he shall suggest to the owner of the cheque to sign the receipt and he shall hand him the control coupon for the cash expense order, make the required notes on the counterfoil of the cheque and on the other side of the cheque, in accordance with the details.

In the cash expense order, the surname, name and the patronimic of the owner of the chequebook, the serial number of the paid cheque, the number of the correspondent account and the name of the bank which issued the chequebook, name and MFO of the clearing centre in which the correspondent account of the bank which issued the chequebook, passport details or details of the document to substitute the passport, shall be indicated.

On the basis of the cash expense order, the accounting entry shall be made in the accounts:

debit - correspondent account

creidt - account No 031 «Cash»

All the documents shall be passed to the comptroller for a review. The comptroller, upon reviewing all the above-mentioned documents, shall register the cash expense order in Journal 0482056 and in an internal procedure he shall pass it to the cash officer. The chequebook and the passport shall be returned to their owner. The payment of the money by the cash officer shall be carried out in accordance with the procedure outlined in the instructions for money-issuing and cash operations.

On the cheque by stamp or hand, there shall be made the note «Paid», and the cheque is passed for processing.

IV. The Manufacture and Supply to Banks of Chequebooks and Cheques

4.1. Chequebooks and cheques shall be manufactured for the banks of the Republic of Kazakhstan by the Directorate of the Productive Enterprises of the National Bank of the Republic of Kazakhstan in accordance with the requirements established by the National Bank of the Republic of Kazakhstan for payment documents. Chequebooks and cheques shall be

documents of strict accountability and they shall be accounted for in the off-balance-sheet account No 9959.

4.2. The actual price of chequebooks shall be determined by the costs associated with their manufacture and postage.

4.3. Expenditures associated with the manufacture (purchase) of chequebooks shall be included into account No 970 «Operational and Various Expenditures».

4.4. Branches of banks shall receive chequebooks for their clients, in the head offices of their banks.

4.5. A subsidiary bank of a foreign state or a joint bank which are located in the territory of the Republic of Kazakhstan shall be issued chequebooks by the National Bank of the Republic of Kazakhstan.

V. Responsibility

5.1. The responsibility for improper use of cheques, for losses inflicted as a consequence of transferring a chequebook or individual blank cheques to any other person, losses, or theft, as well as a cosequence of the violations by the persons who are authorised to sign cheques, shall be borne by the owners of the chequebooks.

5.2. In the case of issuing cheques in the amounts which exceed the deposited amounts, the business entities shall be deprived of the right to use cheques from chequebooks for up to one year.

5.3. Owners of chequebooks which allow for violdations of the rules for the settlements or which are insolvent, shall at the discretion of the banking institution be deprived of the right to use cheques from chequebooks.

5.4. The decision of a banking institution to deprive of the rights to use cheques from chequebooks shall be communicated to the owner in the form or a notification in writing.

5.5. Upon receiving the notification the owner of a chequebook shall be obliged to cease on the same day the issuing of cheques from the chequebook and not later than within 3 days after receipt of the notification, to return to the bank the chequebook with unused cheques. In that regard, the owner of the chequebook shall present the payment order for transferring the remainder of the deposited amount to the account from which the amount had been deposited.

5.6. A bank shall not bear any responsibility for the payment of duly formulated cheques from a lost chequebook, if it has not been timely informed of the loss.

5.7. The responsibility for counterfeit, marketing and use of forged cheques, and also for a belated forwarding of fraudulent cheques to the bodies of investigation, shall be stipulated in the criminal legislation of the Republic of Kazakhstan.

5.8. The responsibility in accordance with the legislation of the Republic of Kazakhstan for an erroneous return of a cheque shall be borne by the bank which allowed for the mistake in accordance with the legislation of the Republic of Kazakhstan.

Chairman of the National Bank of the Republic of Kazakhstan
D. Kh. Sembaev

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