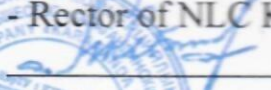
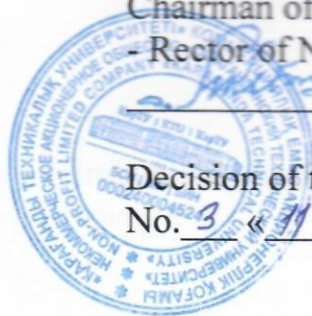


Approved by
Chairman of the Management Board
- Rector of NLC KTU

 M.K. Ibatov

Decision of the Academic Council

No. 3 « 31 » 10 2022



REGULATION

ON RECORDING FIXED ASSERS

KTU IDR II-07-2021

Developed by A.T. Sagadibekova

Karaganda

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Effective date 2021.10.11
(year, month, date)

1 Scope

1.1 This Regulation defines the internal procedure for keeping records of fixed assets used at NLC "Karaganda Technical University" (hereinafter referred to as the University).

1.2 The requirements of this Regulation apply to the work of the accounting department.

1.3 This Regulation has the status of an internal regulatory document and is binding.

Fixed assets recording is performed in accordance with IFRS IAS 16 "Fixed assets".

2 Terms, definitions and abbreviations

Fixed assets include assets that have a tangible form: real estate (land, buildings, structures and other objects related to land); vehicles; machines and equipment; other fixed assets; perennial plantings; as well as other property that is used in the activities of a legal entity for the production, provision of services or sale of goods, as well as for leasing to other organizations or for administrative purposes with a period of use more than one calendar year.

Depreciable value is the initial cost of an asset or another amount used as an initial cost with less its residual value.

Depreciation is systematic allocation of the depreciable value of an asset over its useful life.

Carrying amount is the amount at which an asset is recognized after deducting any accumulated depreciation and accumulated impairment loss.

The recoverable amount is the greater of the asset's fair value less costs to sell or value in use.

The residual (residual) value of an asset is the estimated net amount expected to be obtained from the final disposal of an asset after the end of its useful life, less the estimated costs of disposal.

Cost is the amount of cash or cash equivalents paid, or the fair value of any other consideration given to acquire an asset at the time of purchasing or constructing.

Carrying value is the amount at which an asset is recognized after deducting any accumulated depreciation and accumulated impairment loss.

Recoverable value is the greater of the asset's fair value with less the costs to sell or value in use.

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Residual (recoverable) value of an asset is the estimated net amount expected to be obtained from the final disposal of an asset after the end of its useful life, with less the estimated costs of disposal.

Prime cost is the amount of cash or cash equivalents paid, or the fair value of any other consideration given to acquire an asset at the time of purchase or construction.

Fair value is the amount at which an asset could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction.

Useful life is the period of time over which an asset is expected to be available for use by a legal entity or the number of production or similar units that a legal entity expects to obtain from an asset.

Impairment loss is the amount by which the carrying value of an asset exceeds its recoverable value.

3 Classification

Depending on the intended purpose and functions, the fixed assets of a legal entity are divided into the following groups (see Table 1).

Table1

1	Land	Land plots on which the buildings of the Enterprise are located
2	Buildings:	
2.1	Educational buildings	Main educational building, Multipurpose classrooms, etc.
2.2	Research buildings	Research buildings
2.3	Dormitories	Student residences
2.4	Other buildings	Garage for service vehicles
3	Structures:	
3.1	Transfer units	Structured cabling and data transmission system
		Sports facilities
4	Machines and equipment:	
4.1	Vehicles	Cars, minibuses, special equipment
4.2	Office equipment and computers	Computers and servers of all kinds, Peripherals and data processing equipment (printers, scanners, plotters, disk and tape drives, backup storage devices) Multimedia devices Copier
		Laptops
4.3	Laboratory equipment	Laboratory equipment
		Other laboratory supplies
4.4	Medical equipment	Medical equipment
		Other medical facilities
		Analog PBX, telephone switches of all types
4.5	Other machines and equipment	Thermal and mechanical and hydraulic equipment (motors, pumps, compressors, etc.) General purpose equipment Electronic and electrical devices Modems, analog telephones, faxes, etc.
		Other equipment not elsewhere classified

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5	Library stock	Library fund
6	Other assets	Furniture (office, special and residential, etc.)
		Safes
		Metal cabinets
		Production and fire-fighting equipment, fixtures, tools, warning and alarm systems, etc.
		Others, not included in other groups
7	Capital work in progress	Construction of educational buildings Construction of research buildings Construction of sports grounds Construction of dormitories Construction of other infrastructure buildings and structures

4 Initial recognition

4.1 Items of property, plant and equipment are initially measured at prime cost, i.e. at their price in cash equivalent at the date of recognition.

Items of property, plant and equipment are recognized as an asset if they meet the following conditions:

- there is confidence that obtaining most of the risks and future economic benefits associated with the asset will flow is probable;

Table 2

Purchased/received for the provision of services for the main activity	Fixed assets acquired for implementation of activities by a legal entity in accordance with the Charter
Purchased/received for auxiliary production	Fixed assets purchased for production related to servicing the main production
Purchased/received for administrative staff generating overheads	Fixed assets purchased for administrative personnel generating overhead costs

- the cost of acquiring items of property, plant and equipment can be estimated;
- the asset is directly or indirectly used in the activities of a legal entity;
- there is no intention to sell the asset in the ordinary course of business of the legal entity.

An item of property, plant and equipment transferred free of charge is recognized at the fair value at the date of gift.

The prime cost of an item of a constructed and/or erected property, plant and equipment is determined on the basis of the same principles as the cost of an acquired asset.

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Future economic benefits are the potential for assets to contribute directly or indirectly to the flow of funds to a legal entity. An asset will bring economic benefits to a legal entity in the future when it can be:

- 1) used alone or in combination with another asset in the process of providing services, performing work and manufacturing products intended for sale;
- 2) exchanged for another asset;
- 3) used to pay off the obligation;
- 4) distributed/redistributed by the owner of the legal entity

Fixed assets are acquired by a legal entity:

- on a reimbursable basis;
- free of charge.

On a reimbursable basis, one can include the acquisition of fixed assets at the expense of commercial activities, selling services within the framework of contractual relations with government agencies, investment activities, capital construction contracts, budgetary financing in the form of state aid and subsidies (if conditions exist), sponsorship and/or charitable assistance (with limited and unlimited conditions), loan capital, contribution to the authorized capital, exchange for other assets;

The gratuitous basis includes acquisition of fixed assets at the expense of the government assistance and/or subsidies (in the absence of conditions), sponsorship and/or charitable assistance (in the absence of restrictions), gratuitous transfer and other sources on grounds not prohibited by law, provided the initial absence value in monetary terms.

5 Acquisition of fixed asset objects on a reimbursable basis

Fixed assets can be purchased:

- 1) by one-time payment in cash;
- 2) on credit, with payment by installments.

The valuation of fixed assets acquired by means of one-time payment in cash is carried out on the basis of actually incurred cash costs for purchasing fixed assets and preparing for operation. Reliability of the valuation of property, plant and equipment is based on the fact that the actual cost of the acquisition is the result of a transaction directly entered into between independent, prepared and willing parties to such a transaction.

In determining a reliable estimate of property, plant and equipment, the condition of fair value of the actual costs incurred must be satisfied, which can serve as an objective and reliable measure of the value of property, plant and equipment for which the asset can be exchanged.

The initial cost includes the aggregate of actually incurred costs until the acquired fixed assets are brought to the condition suitable for use including the costs of delivery and mounting.

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When fixed assets are acquired on a deferred payment basis for a period longer than normal payment terms, the prime cost is equal to the amount that would have been paid if paid immediately. The difference between this amount and the total payments is recognized as an interest expense on the loan (under the principal treatment), unless it is capitalized in accordance with the permitted alternative treatment under the Borrowing Costs section.

6 Acquisition of fixed asset objects free of charge

6.1 Fixed assets acquired as a result of gratuitous transfer are measured at the fair value of the asset received at the date of recognition in accounting based on the value specified in the acceptance certificate. In the absence of value, the following are also used in determining the fair value:

- the data of prices for similar products received in writing from manufacturers;
- the information on the price level available from state statistics bodies, trade inspections and organizations selling similar fixed assets;
- the expert opinions on the value of fixed assets issued by an independent appraisal company licensed for appraisal.

7 Features of acquiring and recognizing fixed assets including:

7.1 Acquiring objects (fixed assets) according to the capital construction contracts

The prime cost of an object of a constructed and/or erected fixed asset under the work contract or using own resources is determined on the basis of the same principles as the cost of an acquired asset. A legal entity constructs fixed assets objects and assembling equipment, both on its own and with the involvement of third-party contractors.

In the case of attracting third-party contractors on the basis of a construction contract, the initial cost of an object of fixed assets is determined as the sum of the actual costs of a legal entity for performing the work under construction contracts excluding reimbursable taxes.

When taking into account a work contract (both long-term and short-term), interim acts of work performed are signed; upon signing, the cost of the act of work performed is taken into account on the construction-in-progress account. The own materials transferred to contractors for construction and assembly work are also included in the cost of capital construction projects.

Recognizing the costs for the construction of fixed assets by a contract method is carried out by reference to the stage of completion of work under the contract. However, only those contract costs that reflect work performed under that contract are included in the costs incurred at the reporting date.

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When determining the actual costs of acquiring/developing an item of fixed assets, it is also necessary to take into account the principles established by other sections of this accounting policy.

After completing the work under construction contracts and when the item of property, plant and equipment is available for use, the capitalized costs in the construction in progress account are transferred to the corresponding group of property, plant and equipment.

7.2 Recognition of objects for capital construction carried out with the use of own resources

The prime cost of a self-produced asset is determined on the basis of the same principles excluding the internal income.

The prime cost of an asset does not include the excess costs of raw materials and other resources, labor and other costs incurred when creating an asset on their own. IAS 23 Borrowing Costs establishes criteria for recognition of interest as a component of the carrying amount of a self-constructed item of property, plant and equipment. Until the end of work on the construction of facilities, the costs of their construction are considered as construction in progress.

7.3 Obtaining fixed assets as a contribution to the authorized capital

The initial cost of an item of property, plant and equipment as a contribution to the authorized capital is determined based on its fair value determined by an expert or by a legal entity itself as of the date of the contribution. The basis for making fixed assets as a contribution to the authorized capital of a legal entity is the corresponding decision of the authorized body or person in accordance with the regulatory legal acts of the Republic of Kazakhstan.

7.4 Other ways of acquiring items of fixed assets

The initial cost of an asset acquired by a legal entity under the finance lease is determined in accordance with the Leases Section. Property, plant and equipment obtained as a result of government grants are accounted for in accordance with Section 18 Accounting for Government Grants.

8 Exchange of assets

The prime cost of an item of property, plant and equipment is measured at fair value, unless:

- 1) the exchange operation has no commercial content;
- 2) neither the fair value of the asset received nor the fair value of the asset given up can be measured reliably.

An entity determines whether the exchange transaction has commercial substance by taking into account the extent to which future cash flows are expected to change as a result of the transaction. The exchange transaction has commercial content if:

- 1) the structure (risk, timing and amount) of cash flows related to the asset received differs from the structure of cash flows related to the transferred asset;

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2) as a result of the exchange, the value of that part of its activity that is affected by this operation changes, which is specific for a legal entity;

3) the difference in the above items is significant compared to the fair value of the assets exchanged.

Table 3

Correspondence of accounts of standard transactions for subsection 2400 "Fixed Assets"

Operation substance	Correspondence of accounts	
	Debit	Credit
Purchasing fixed assets:		
at the expense of issued reporting amounts	2412-2418	1250
receiving fixed assets from organizations crediting for the amount of advances previously issued to suppliers	2410, 3310	3310 1610
Receiving property, plant and equipment under finance lease	2410	4150
Receiving fixed assets as payment for the authorized capital	2410	5110
Gratuitous receiving from individuals and organizations	2410	6220,6280
Transferring investments in real estate to the category "Fixed assets"	2410	2310
Reflecting the initial cost of fixed assets taken into operation at the end of construction (Acceptance and Commissioning Act) under construction contracts and households. way	2410	2900
Reflecting the costs associated with major repairs (modernization, reconstruction), leading to an increase in future economic benefits from the use of fixed assets	2410	2900
Posting unaccounted fixed assets identified during the inventory	2410	6280

9 Criteria of classifying fixed asset items to one inventory item

The accounting of fixed assets is performed in the context of inventory items according to the places of their storage by responsible persons.

A separate inventory item that is a unit of accounting for fixed assets, is considered a complete structural device with all related devices and accessories, or a structurally separate item intended to perform certain independent functions, or a separate complex of structurally articulated items that represent a single whole and jointly perform some work.

The complex of structurally articulated objects is one or more objects of the same or different purposes having either common fixtures and accessories, or general management, or mounted on the same foundation, as a result of which each item included in the complex can perform its functions only as a part of the complex, and not itself. The assignment of several items to one complex should be carried out on the basis of project documentation certified by responsible employees.

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To organize accounting and to ensure control over the safety of fixed assets, an inventory number is assigned to each item.

The inventory for the subaccount "Buildings" is each detached building. If buildings are adjacent to each other and have a common wall but each of them is an independent structural whole, they are considered separate inventory items.

External annexes to the building that have independent economic significance, stand-alone boiler house buildings, as well as capital outbuildings (warehouses, garages, etc.) are independent inventory items.

The inventory number assigned to an item (group) is retained for it for the entire period of its stay in the legal entity. The numbers of inventory items retired or liquidated should not be assigned to other items.

10 Separate components of fixed assets

When an inventory item is complex, that is, it includes certain isolated elements that make up one whole with it such components are accounted for as separate inventory items.

Typically, the cost of the components of an item of property, plant and equipment is significant in relation to the total cost of the item as a whole, and the service life of individual items differs from that of the basic fixed asset.

The amount initially recognized in relation to an item of property, plant and equipment is allocated to its material components and each such component is accounted for separately. The initial cost of the component is considered the cost specified in the Act of acceptance and transfer of the asset, the Act from the developer, design and estimate documentation or other similar documentation. In the absence of the data, the cost of a component should be taken as the cost of a similar component (identical in technical characteristics, origin, and other indicators).

In the absence of similar components, the cost is determined based on the value of similar assets in the market at the time of initial recognition of the fixed asset, in very rare cases, if it is not possible to determine the cost at the time of initial recognition of the fixed asset, the legal entity determines the value of the new component based on market prices for the current moment (at the time the component is selected).

In the event that the expected life of certain components of an asset differs from the total useful life of that asset, such components are segregated and amortized by a legal entity separately in accordance with their individual useful lives.

In the case of acquisition of such assets (specialized laboratory equipment, etc.), the suppliers of fixed assets are obliged to identify the constituent components of the fixed asset at the stage of concluding the contract, or at the stage of capitalizing the asset, to submit a technical opinion (specification) that determines the constituent component of an item of fixed assets that must be accounted for individually.

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11 Prime cost of fixed assets

11.1 Elements of the prime cost

The prime cost of purchased fixed assets includes the purchase price minus trade discounts and returns including customs duties and taxes in case of import of the fixed asset, as well as any costs that are directly related to bringing the fixed asset into working order, namely:

- the amounts paid in accordance with the contract to the supplier for items of fixed assets, their components and materials necessary to bring the items into a serviceable condition;
- the initial costs of transportation and customs duties (for example, when importing laboratory equipment), the costs of a temporary storage warehouse;
- the registration fees, government fees and other similar payments made in connection with the acquisition (receipt and registration) of rights to an item of fixed assets, prior to the acceptance of the item of fixed assets for accounting (costs associated with the registration of rights to items of fixed assets that arose after to the accounting of these objects, are accounted for as a part of other expenses);
- non-refundable taxes paid in connection with the acquisition of an item of fixed assets, other than value added tax;
- site preparation costs;
- primary delivery and handling costs;
- costs of assembly and mounting;
- costs of professional services (information and consulting) associated with acquisition of fixed assets (for example, when mounting equipment);
- costs associated with the preliminary assessment of the costs of dismantling and liquidation of an item of fixed assets and restoration of natural resources in the area it occupies, in respect of which a legal entity assumes an obligation either upon acquiring this item or as a result of its use for a certain period for purposes other than associated with the creation of stocks during this period;
- trial run costs with less net proceeds from trial samples or other revenue;
- the cost of construction and/or erection of fixed assets includes the amounts paid by a legal entity for construction and mounting and other work under a construction contract; the costs of land acquisition and resettlement in connection with construction; expenses for design and survey and pre-design, architectural work; expenses for obtaining a permit for the construction of an object; costs of payment of benefits to employees directly related to the construction or acquisition of an item of property, plant and equipment; site preparation costs; costs of attracting borrowed funds (interest on loans) for the construction period, non-refundable taxes paid in connection with the acquisition of an item of fixed assets, except for the value added tax, etc.
- other costs directly related to acquisition of an item of property, plant and equipment.

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12 Termination of capitalizing the costs associated with items of fixed assets

The costs are no longer included in the carrying amount of an item of property, plant and equipment when the item is delivered to the desired location and rendered in a condition that ensures its functioning in accordance with the intentions of the management of the legal entity. Therefore, the costs incurred in using or moving the item are not included.

The prime cost of items of fixed assets produced or built independently by a legal entity is assessed according to the same principles as that of items purchased on the outside. These items are valued at the actual cost of production. If, in its ordinary course of business, a legal entity produces similar assets for sale, the value of the asset is usually equal to the cost of producing it for sale.

Any internal profit arising from production, as well as excess costs of raw materials, labor or other resources that occurred during the independent production of an asset, are excluded.

The interest expense on loans to finance the construction of property, plant and equipment is capitalized over the period of time required to complete construction and to prepare the asset for its intended use.

The remaining borrowing costs are recognized as an expense in the current period.

13 Library stock accounting

The library stock of a legal entity is a set of documents of various purposes and status, organizationally and functionally related to each other, subject to accounting, acquisition, storage and use in order to ensure the educational process and / or scientific activities of a legal entity for more than one year.

The library stock of a legal entity includes: printed publications (books), audiovisual documents (video, photos), electronic documents (on removable media, local access network documents, remote access network documents), rare and unique publications.

The cost of the annual subscription for remote access network documents and periodicals is charged to the expenses of the period each month.

Each batch (consolidated asset) of books is assigned one inventory number. A consolidated asset is a group of specific single assets such that their total cost is recognized and depreciated as a single asset.

The objects of the library stock are accepted for accounting at their cost, i.e. the amount of actual expenses for their purchase, namely:

- amounts paid in accordance with the contract to the supplier;
- amounts paid to organizations for information and consulting services related to the acquisition of library funds;
- registration fees, government fees and other similar payments;

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- remuneration paid to the intermediary organization through which the object of the library fund was acquired;

- shipping costs, including shipping insurance costs.

Library items received free of charge (for example, under donation agreements, under agreements of exchange from exchange and reserve funds) are recognized at their fair value at the date the items are accepted for accounting, including the cost of services related to their delivery.

Library materials fall into two categories: "general" and "rare". The category of "general" materials includes textbooks, teaching aids, reference books, dictionaries, and other books used regularly in the educational and research process. General library stocks are depreciated.

In the category of "rare" materials there is a collection of rare books and manuscripts as a part of the main fund that includes the stock of rare and valuable books as a specialized collection of single rare books and (or) collections of rare books formed in order to optimize preservation, study, use and considered as an object of cultural heritage.

Identification of rare and valuable books is carried out in the course of studying fixed and auxiliary stocks, current acquisition. When identifying single rare and valuable books, chronological, socio-value and quantitative criteria are used:

Valuable books are handwritten books, printed publications of artistic, scientific, bibliographic or other value.

Rare books are books that have survived or were published in a small number of copies. These also include copies of the publication that have unique features that distinguish it from the rest of the circulation of the publication.

Book monuments are books (handwritten and all types of printed publications) and book collections with outstanding spiritual, aesthetic, printing and documenting properties, representing socially significant scientific, historical, cultural and material value, having an official legal status, providing them with special protection measures and legal protection.

Handwritten books or copies of printed publications with autographs, additions, notes, notes, drawings of prominent public and state figures, scientists and cultural figures.

Monitoring, individual and summary accounting of objects of the library stock is carried out by responsible employees of the library. Books and other materials are controlled by the inventory method with assigning an inventory number to a document or registering a document without assigning an inventory number to it. An individual number is assigned to the document for the entire time of its staying in the library collection. The form of summary accounting is a machine-readable book. The summary book (SAB) consists of three parts: (1) receiving to the stock; (2) disposal from the stock; (3) movement of the stocks. Additionally, a barcode and RFID tag (if any) is used to identify automatically the objects.

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Disposal of objects of the library stock or a group of fixed assets is formalized by an act of write-off with attachment of the list of excluded literature for reasons of dilapidation (physical deterioration), defectiveness, obsolescence in content, excessive duplication, non-core character, loss (loss, non-return by readers, theft, irreversible damage, loss as a result of natural disasters). The write-off of the library stock, due to the above possible reasons, is carried out in the reporting period upon occurrence and is not limited to the amount or other norms in the reporting period. A legal entity has the right to establish restrictions on the amount of loss that must be compensated by the materially responsible person, as a result of the possible above reasons, in the material liability agreement.

In order to replenish the book stock and to expand the collection, a legal entity can receive books. The accounting of such books is carried out as follows:

- books received on a gratuitous basis are accounted for in the same way as long-term assets received on a gratuitous basis. That is, gratuitous receipts of assets from the state related to long-term assets are recognized as government grants (for receiving from third parties as "Deferred capital grants"), and are written off to income as depreciation is accrued on the assets, the creation of which was due to these receipts in the amount proportional to the amount of accrued depreciation on these assets;

- in the case of receiving assets from the state or third-party organizations on a gratuitous basis that do not have a useful life (e.g. rare books), these assets are recognized as income at the time of receiving, since they cannot be reliably distributed over the period and correlated with income;

- accounting for such books at initial recognition is carried out at the fair value;

- books received free of charge from an individual or a legal entity are accepted subject to donation to other persons.

14 Electronic books accounting

A legal entity purchases books from publishing organizations in electronic format. As a rule, according to the agreements with publishing organizations, a legal entity receives the right to access selected books or gains access to the entire database of e-books, which (the right) is retained by the legal entity for a certain period of time. Access to books is the ability for users to read selected books on the servers of publishing organizations, while respecting the copyright of use.

15 Capital construction in progress accounting

15.1 Accounting by contracts

The prime cost of capital construction in progress carried out by a contract includes the cost of design and survey work, the cost of allocating land and

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resettlement in connection with construction, the cost of obtaining a permit for the construction of an object, the cost of preparing the territory;

The costs for attracting borrowed funds (interest on loans) for the construction period, non-refundable taxes paid in connection with acquisition of an item of property, plant and equipment, other than the value added tax, the costs of employee benefits that arise directly from the construction or production of an item of property, plant and equipment, the actual costs paid to organizations for the implementation of work under a construction contract (management of investment and construction projects, construction and assembly and other works), the costs of preparing the territory.

All the costs are capitalized on the "Construction in progress" account and are reflected in the reporting period in which they are incurred on an accrual basis. The work performed by contractors is recognized as a capital expenditure based on the actual volume of work performed confirmed by acts of the work performed.

The recognition of expenses for the construction of fixed assets by the contract method is performed by reference to the stage of the work completion under the contract, i.e. using the percentage of completion method.

The stage of completion of the contract can be determined in a number of ways. The legal entity uses the one that provides a reliable measurement of the work performed. Depending on the nature of the contract, these methods can include the following:

- the ratio of contract costs incurred to perform the work at the reporting date to the estimated total contract costs;
- the reviews of the work performed;
- the completion of a certain amount of work under the contract.

The objects are transferred from construction in progress to the group of fixed assets as they are physically ready for operation. In the event that an object can be ready for operation only after the completion of the entire complex of works (for example, a building requiring interior decoration) needed to bring it into a condition suitable for use, such an object is transferred to fixed assets after the completion of the entire complex of works.

In case of inexpediency of further construction of fixed assets confirmed by a feasibility study, the costs previously capitalized on the account "Construction in progress" should be written off to the expenses of the current period.

Certificates of completing construction and assembly works issued by contractors are checked and confirmed by the unit responsible for monitoring and controlling the progress of construction. Acts of work performed and invoices endorsed by the responsible unit and signed by the management of the legal entity that are the basis for recognizing the costs of capitalization of construction in progress in accounting, are transferred to the accounting unit.

15.2 Accounting with the use of own resources

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Construction of fixed assets of a legal entity manufactured or erected with the use of own resources is formed on the basis of the same principles as that for purchased fixed assets and construction and assembly work performed by the contract method. The cost of fixed assets includes the cost of materials expended, production work performed and a part of production overhead costs.

The costs of maintaining a facility under construction are included in the prime cost of fixed assets (capitalized) if they can be correlated directly with the facility under construction or purchased equipment (by profile divisions). These costs include wages, travel expenses, depreciation, legal and consulting costs, rent for office space occupied by the management of the facility under construction during the construction period, and other expenses.

In the event that the costs cannot be directly attributed to the object under construction, they should be written off to expenses of the current period at the time they are incurred as part of general and administrative expenses or other expenses.

Losses of building materials in the event of damage or theft are not included in the initial cost of the capital construction object but are written off to other expenses of the current period.

All the subsequent costs associated with the capital construction of fixed assets erected or constructed by contract or economic methods are included in the carrying amount of this asset or are recorded as a separate asset only if it is probable that economic benefits will be derived from the operation of this asset, and its value can be reliably evaluated. All other repair and maintenance costs are charged to profit or loss for the period as incurred.

Borrowing costs directly attributable to the construction of items of fixed assets are included in the cost of those assets with less any income from the temporary investment of those borrowed funds.

At the time of commissioning the objects of capital construction in progress, capitalized costs collected on the account of capital construction in progress are transferred to the corresponding groups of fixed assets after registration of the Act of the State Acceptance Commission on commissioning. In case of untimely execution of the Act of acceptance of the constructed object into operation, delays in its receiving, etc., the building (structure) is transferred from the account of unfinished capital construction to the accounts of fixed assets at the time of actual operation.

Capital construction in progress objects are not depreciated.

Table 4

Correspondence of accounts of standards operations for subsection 2900 "Construction in progress"

Operation substance	Correspondence of accounts	
According to the capital construction contracts	Debit	Credit
Settlements with contractors and other organizations for work performed and services rendered	2900	3300

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Write-off of materials	2900	1300
Reflection of the initial cost of fixed assets, taken into operation at the end of construction	2410	2900
Capital construction using own resources		
Write-off of materials	2900	1300
Payroll and taxes from payroll	2900	3350
Depreciation of fixed assets and intangible assets used for construction	2900	2420
Settlements with contractors and other organizations for work performed and services rendered	2900	3310,3390
Formation of a reserve for payment of vacations	2900	3430
Reflection of services of the main and auxiliary industries attributed to construction	2900	Accounts of section 8
Reflection of the initial cost of fixed assets, taken into operation at the end of construction	2410	2900

15.3 Subsequent costs

Subsequent costs related to the fixed assets shall be capitalized to the carrying amount of the asset to the extent that these costs increase the economic benefits of using the property, plant and equipment. All other subsequent expenses should be recognized as expenses in the period in which they are incurred.

15.4 The costs incurred in the operation of the fixed asset items after initial recognition are as follows:

- capital expenditures;
- partial replacement of components of fixed assets;
- costs of current repairs and maintenance of the object of fixed assets.

15.4.1 Capital costs

Over the life of an item of the fixed assets, subsequent costs are incurred to improve the condition of the item, increasing its initially estimated standard indicators, such as service life, production capacity, quality of use, which leads to an increase in future economic benefits. Such costs increase the initial cost of the fixed asset.

The following criteria indicate increasing the future economic benefits:

- modification, modernization, reconstruction of the object of fixed assets, increasing the originally established service life, production capacity, quality of use;
- improvement of equipment (e.g. laboratory) to achieve significant quality improvements.

To assess the above criteria, a legal entity resorts to the opinion of technical specialists who are competent to carry out such work.

If the above conditions are met, subsequent costs will be capitalized.

15.4.2 Partial replacement of components of fixed assets

The costs incurred in the replacement or renewal of a part of an item of fixed assets that meet the recognition criteria for an item of fixed assets and lead to an improvement (increase) of the originally adopted standard performance indicators

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(useful life, capacity, quality of use, etc.) of the item of fixed assets are considered as costs for reconstruction or modernization and are subject to capitalization. At the same time, costs incurred when replacing or updating part of an item of property, plant and equipment are accounted for as the acquisition of a new separate asset, and the carrying amount of the replaced asset is written off.

15.4.3 Repair and maintenance of fixed assets

The costs that do not lead to increasing the future economic benefits from the use of the object and do not change the qualitative characteristics of fixed assets are expensed in the period in which they were incurred without increasing the initial cost of the object.

Current repairs are carried out in order to eliminate minor damages by partial replacement of parts, minor repairs of individual parts, etc. It is carried out during the operation of objects to maintain them in working order.

Expenses for current repairs, operation, maintenance and maintenance of buildings, structures, equipment, vehicles, etc., incurred in order to preserve and maintain the technical condition of the facility, are recognized as current expenses at the time of occurrence. Such expenses are classified as follows:

- the costs of day-to-day upkeep and maintaining buildings, equipment, etc.;
- routine repair: repairs associated with maintaining the current standard indicators of the equipment operation.

The costs of day-to-day upkeep and maintenance of the fixed asset items consist primarily of the costs of maintaining the personnel of the relevant division of the legal entity, the costs of third-party services, as well as consumables and parts.

The costs of repair and restoration of fixed assets, which are the result of accidents and other damages to the asset as a result of improper operation, are attributed to losses or, if the guilty person is identified, the amount of damage is subject to compensation.

The constituent parts of fixed assets that form the emergency stock, which is mandatory for storage during the service life of the fixed asset, are also accounted for in fixed assets as an item of fixed assets depreciated over a period corresponding to the frequency of renewal of the emergency stock. If the emergency stock is subject to renewal more often than every 12 months, then it is accounted for in the composition of current assets as stocks.

Replacement of any component part of structurally articulated fixed assets that are not allocated to a separate item is a repair and therefore is expensed.

Accounting for government subsidies and government assistance provides that the carrying value of an item of fixed assets can be reduced by the amount of government subsidies received by the organization for their purchase.

Table 5

Correspondence of accounts of standard operations for subsequent costs

Operation substance	Correspondence of
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	accounts	
	Debit	Credit
Capital expenditures leading to an improvement (increase) of the originally adopted normative indicators (service life, production capacity) and increasing the future economic benefits	2400	1300, 3300
Expenses for current repair and maintenance of fixed assets	8100, 8200, 8300, 8400, 7100, 7200	1300, 3300

16 Evaluation after recognition

Post-recognition valuation can be performed using the cost model.

Cost accounting model

Subsequent to the initial recognition of an asset of items of property, plant and equipment, the legal entity records at cost (historical cost) less accumulated depreciation of property, plant and equipment and accumulated impairment losses and applies this policy to the entire class of property, plant and equipment.

Depreciation method

Depreciation of fixed assets of a legal entity is performed on a uniform (straight-line) method, i.e. the amortized cost is written off on a monthly basis in equal amounts in accordance with the established depreciation rates. Land, construction in progress, rare and unique items of the library fund are not depreciated.

Depreciation of an asset begins when it becomes available for use, that is, when its location and condition allow it to be used in accordance with the intentions of the legal entity.

The straight-line write-off method is used for those items of fixed assets for which:

- 1) the time is the main factor limiting its service life, not obsolescence;
- 2) a relatively constant volume of periodic work.

On a straight-line basis, the monthly depreciation is determined as follows:

$$\text{Monthly depreciation amount} = \text{Initial value (useful life) (years)}/12$$

During repair and current maintenance of a fixed asset item, depreciating does not stop, unless it is already fully depreciated. In this case, using the straight-line depreciation method for the asset based on its use, the depreciation charge can be zero while the asset is in use.

The depreciation method selected most closely reflects the estimated pattern of consumption of the future economic benefits embodied in the asset. The chosen method is applied consistently from period to period, unless there is a change in the estimated consumption pattern of these future economic benefits.

The depreciation method is subject to revision at the end of each fiscal year or, more commonly, if a significant change is found in the expected pattern of

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consumption of the future economic benefits embodied in the asset. Such a change should be reflected in accounting prospectively and in accounting policies as a change in estimate.

The amount of accrued depreciation is recorded in separate depreciation accounts for fixed assets.

17 Depreciation accrual

Depreciation of fixed assets and library funds (with the exception of rare and especially valuable books) is accrued on a monthly basis starting from the first day of the month following the month of the acquisition of the fixed asset or its putting into operation, and terminates from the first day of the month following the month in which there was a disposal of the fixed asset item or transferring fixed asset items to the group of assets held for sale.

Depreciation accrual in the event of changing (increasing) the initial cost is based on the carrying value of the object increased by the amount of subsequent costs. At the same time, depreciation is accrued based on the remaining revised useful life of the item of fixed assets.

Depreciation charges for each period should be recognized in the statement of comprehensive income, unless they are included in the carrying amount of another asset. If the economic benefits embodied in an asset are absorbed in the production of other assets, then such depreciation charges are included in the carrying amount of

During repair and maintenance of the fixed asset, depreciation accrual does not stop.

Fixed asset items of a legal entity are depreciated based on the service lives set out in depreciation table below.

Table 6

No	Fixed assets of the group	Description	Depreciation term (years)
1	land	Land plots on which a legal entity is located	Not depreciated
2	Buildings:		
2.1	Educational buildings	Main educational building, Multipurpose classrooms	20-75
2.2	Research buildings	Research buildings	20-75
2.3	Dormitories	Student residences	20-100
2.4	Other buildings	Garage for service vehicles	20-75
3	Structures:		
		Power transmission and communication lines Pipelines and gas pipelines	
		Water supply and sewerage system	
3.1	Transfer devices	Structured cabling and data	

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		transmission system	
		Sports facilities	1-10
4	Machines and equipment:		
4.1	Vehicles	Cars, minibuses, special equipment	2-10
4.2	Office equipment and computers	Computers and servers of all kinds, Peripheral devices and data processing equipment (printers, scanners, plotters, disk and tape drives, backup storage devices) Multimedia devices Copying and duplicating equipment.	3-5
		Laptops	3-5
4.3	Laboratory equipment	Laboratory equipment	3-7
		Other laboratory supplies	3-7
4.4	Medical equipment	Medical equipment	3-5
		Other medical supplies	3-5
4.5	Other machines and equipment	Analog PBX, telephone switches of all types	3-5
		Thermal mechanical and hydraulic equipment (motors, pumps, compressors, etc.) General purpose equipment Electronic and electrical devices Modems, analog telephones, faxes, etc.	3-7
		Other equipment not elsewhere classified	3-7
		Elevators	5
5	Library stock	Library stock	2-8
6	Other fixed assets	Furniture (office, special and residential, etc.)	3-5
		Safes	2-10
		Metal cabinets	2-10
		Production and fire-fighting equipment, fixtures, tools, warning and alarm systems, etc.	3-5
		Others, not included in other groups	1-5
8 Mo жет 7??	Capital construction in progress	Construction of educational buildings Construction of research buildings Construction of sports grounds Construction of dormitories and townhouses Construction of other infrastructure buildings and structures	Not depreciated

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18 Useful life

The useful life of fixed assets is the period over which the entity expects to use the asset.

Depreciation over 100 % of the value of fixed assets is not charged. Accumulated depreciation in the amount of 100 % of the fixed assets value that are in operation is not a basis for writing them off due to complete depreciation.

In the event that subsequent costs are incurred that improve the quality characteristics of the fixed asset in excess of the initially expected (that is, during modernization, reconstruction, etc.), as a result of which greater economic benefits are expected than previously anticipated, a revision of the useful life is mandatory.

Depreciation accrual in the event of changing (increasing) the initial cost is based on the carrying value of the object increased by the amount of subsequent costs. At the same time, depreciation is calculated based on the remaining revised useful life of the item of fixed assets.

Table 7

Correspondence of accounts of standard operations for depreciation accrued

Operation substance	Correspondence of accounts	
	Debit	Credit
<i>Accrual of depreciation charged off over:</i>		
expenses for the sale of finished products and the provision of services	8320	2420
administrative expenses	7210	2420
overhead costs of the main and auxiliary production	8410	2420
construction carried out by households. way	2930	2420
future reporting periods	1620	2420
<i>Write-off of depreciation on retired fixed assets</i>	2420	2410
Depreciation charge on fixed assets leased out in operating leases	7450	2420
Adjustment of accumulated depreciation as a result of revaluation of fixed assets	5420	2420

The inventory of assets is carried out once a year from 01/10 till 31/10 of the current year

19 Discarding the enterprise property

Discarding the property of the enterprise is carried out by decision of the Board of Management on the basis of the NLC KTU charter, clause 95 (25 % of the fixed assets cost), after taking the inventory.

By the order of the enterprise head, a permanent Commission is formed. The composition of the Commission necessarily includes the deputy head of the enterprise (Chairman of the Commission), the chief accountant or his deputy (in his absence, according to the staffing table of the position of the chief accountant, the person who

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is entrusted with accounting), the persons who are responsible for the safety of fixed assets when writing off certain types of fixed assets. The corresponding specialists (experts) are also included in the Commission. The permanent Commission conducts direct inspections of the object to be written off involving technical documentation (passport, floor plans and other documents), and uses accounting data and establishes its unsuitability for restoration and further use. The Commission establishes the reasons for discarding (wear, reconstruction, accident and other reasons for the write-off). The computers and educational equipment can be written off on the basis of the act of technical condition issued by a third-party organization confirming the fact of unsuitability (inoperability), determining the possibility of using individual units, parts, materials of the object being written off, evaluating them and drawing up the act for discarding fixed assets. Discarding fixed assets that have become unusable is drawn up by the acts of the established forms: "Act for discarding fixed assets at state institutions" (form OS-3 of the Album of forms), "Act for writing off vehicles" (form OS-4 of the Album of forms), "Act for discarding from the balance of instruments, production and household inventory "(form 443 of the Album of forms), "Act for discarding from the library of literature in state institutions" (form 444 of the Album of forms). The act for discarding fixed assets is approved by the head of the institution. Dismantling of fixed assets before the approval of the acts for discarding is not allowed. Materials obtained from the dismantling of individual fixed assets and left for the economic needs of the institution are re-qualified as stocks. Parts and assemblies made using precious metals are subject to delivery to specialized enterprises, and parts and assemblies made of non-ferrous metals and not used for repairing other equipment are subject to delivery to organizations that are entrusted with collecting such raw materials. Parts and assemblies made with the use of precious metals and discarded from the balance sheet are accounted for in accordance with the established procedure.

In case of violation of the current procedure for discarding fixed assets from the balance sheet, as well as mismanagement of material assets (destruction, burning, loss), the persons guilty of this are brought to justice in accordance with the procedure established by law.

For registration of full or partial discarding of fixed assets (except for vehicles), the act of disposal (discarding) of fixed assets is applied. The act is drawn up in two copies, signed by the Commission members and approved by the head of the enterprise or a person authorized to do this.

The vehicle discarding act is used for registration of vehicle discarding. The act is drawn up in duplicate by the Commission, approved by the head of the enterprise or by a person authorized to do this. The first copy of the act, with a document confirming deregistration with the traffic police, is transferred to the accounting service, the second copy of the act remains with the person responsible for the safety of vehicles and is the basis for their delivery to the warehouse and sale of stocks and scrap metal remaining as a result of discarding.

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Changing the total amount of depreciation of fixed assets within the reporting period in the accounting is made upon receiving (disposal including discarding in connection with liquidation due to dilapidation and wear and tear) of inventory objects.

20 Fixed assets impairment

The useful life of an asset is considered on each reporting date.

When determining the useful life, all of the following are considered:

- the expected use of the asset (expected capacity, physical performance of the asset);
- the expected physical wear and tear, which depends on production factors, and the program for the repair, maintenance and storage of the asset during the idle period;
- technical or commercial obsolescence resulting from changes or upgrades to the facility;
- legal or similar restrictions on the use of the asset.

The useful life of an asset is determined taking into account the expected usefulness of the asset. The useful life can be shorter than the economic life of the asset.

The disposal value of fixed assets is assumed to be zero.

The carrying value of an asset is the amount at which the asset is recognized after deducting any accumulated depreciation and accumulated impairment loss.

An impairment loss shall be recognized as an expense directly in the income statement in the account “Impairment of the asset”. In the event of the value reversal of the fixed asset, the reversal of the loss is carried out on the “Income from the reversal of impairment loss” account.

An impairment loss recognized in prior periods in respect of a fixed asset is reversed if there has been a change in the estimates used to determine the asset recoverable amount since the last impairment loss was recognized. If so, the carrying value of the asset is increased to its recoverable amount. This increase is a reversal of the impairment loss.

The carrying value of a fixed asset increased by reversing the impairment loss, cannot exceed the carrying value that would have been determined (net of depreciation) if no impairment loss had been recognized for the asset in prior years.

21 Derecognition of fixed assets

An entity derecognises items of fixed assets and writes off their carrying value for disposal or when no future economic benefits are expected from the operation of such fixed assets.

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Derecognition of the carrying value of property, plant and equipment occurs in the following cases:

- 1) selling unused fixed assets;
- 2) gratuitous transferring to other organizations
- 3) exchanging fixed assets;
- 4) transferring fixed assets to financial lease;
- 5) disposal of fixed assets as a result of moral and physical wear and tear;
- 6) disposal of fixed assets that are not subject to restoration and repair after accidents, natural disasters.

The gain or loss arising from derecognition of an item of fixed assets is determined as the difference between the net disposal proceeds, if any, and the carrying value of the item and is presented separately in the income statement.

When an item of fixed assets is retired, in order to determine unsuitability of items due to physical and moral deterioration, as a result of natural disasters and accidents, by the order of the legal entity head, a permanent Commission is formed that includes the heads of the relevant structural divisions, as well as persons who are responsible for the safety of fixed assets. The Commission inspects the facility and establishes its unsuitability for restoration and further use, identifies the persons who permitted the premature retirement of the facility. The Commission establishes the reasons for the write-off and determines the possibility of further use of individual units, parts, materials of the decommissioned object and evaluates them at the prices of possible sale. The write-off is drawn up by acts of the established forms.

If there are materials received from the disposal of fixed assets, capitalization of their value is reflected by the record:

- Dt 1311 "Other materials"
- Kt 6280 "Other income".

Table 8

Correspondence of accounts of standard operations for retirement of the fixed assets items

Operation substance	Correspondence of accounts	
Writing off fixed assets upon their disposal (transfer to financial lease, liquidation, sale, shortage, etc.):		
- for the carrying value	7410	2410
- for the amount of accumulated depreciation	2420	2410
Write-off of fixed assets in connection with the termination of activities:		
- for the carrying value	7510	2410
- for the amount of accumulated depreciation	2420	2410

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22 Information disclosure

Financial statements shall disclose the following information for each class of fixed assets:

- 1) the valuation basis for determining the carrying value;
- 2) used methods of depreciation;
- 3) applicable useful life or depreciation rates;
- 4) carrying value and accumulated depreciation of fixed assets (in aggregate with accumulated impairment losses) at the beginning and the end of the reporting period;
- 5) reconciliation of the carrying value at the beginning and end of the relevant period, reflecting:
 - receipts;
 - assets classified as held for sale or included in a disposal group classified as held for sale in accordance with IFRS 5;
 - disposal;
 - increases or decreases in value arising from revaluation and impairment losses recognized or reversed in other comprehensive income in accordance with IAS 36;
 - impairment losses included in profit or loss in accordance with IAS 36;
 - impairment losses reversed in profit or loss in accordance with IAS 36;
 - depreciation;
 - net exchange differences arising from the translation of financial statements from the functional currency into a presentation currency other than it, including the translation of the statements of a foreign division into the presentation currency of the reporting entity;
 - other changes.

Financial statements must also disclose:

- 1) the presence and value of restrictions on ownership rights to fixed assets, as well as fixed assets pledged as security for the fulfillment of obligations;
- 2) the amount of costs included in the carrying value of an item of fixed assets during its construction;
- 3) the amount of contractual obligations for the acquisition of fixed assets;
- 4) the amount of compensation provided by third parties in connection with the impairment, loss or transfer of fixed assets and included in profit or loss, if such an amount is not disclosed separately in the statement of comprehensive income.

The following information is also relevant in financial statements:

- 1) the carrying value of temporarily idle fixed assets;
- 2) the carrying value of fully depreciated assets but still in operation;
- 3) the carrying value of fixed assets that are no longer in active use and are not classified as held for sale.

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23 Illiquid asset sales

NLC KTU has the right to sell illiquid property by decision of the Management Board on the basis of the Articles of Association clause 95 (25 % of the value of fixed assets) and over 25 % with the permission of the Board of Directors.

Thus, in the accounting policy of any Kazakh company that has selected the model of accounting for fixed assets at revalued costs, it is necessary to determine:

- the class of fixed assets;
- the frequency of revaluations;
- the order of the event (sliding schedule or not); and
- the method of revaluation.

Fixed assets owned by the company, both active and in reserve, can be revalued for conservation, prepared for write-off but not drawn up in accordance with the established procedure by the relevant acts as of the reporting date. The leased fixed asset items are revalued by the lessor. If the lease agreement provides for the transfer of these objects to the ownership of the lessee upon the expiration of the lease term or before its expiration, provided the lessee pays the entire redemption price stipulated by the agreement, revaluation is made depending on who owns the ownership of these fixed assets at the beginning of the reporting period.

When an item of fixed assets is revalued, the carrying value of the asset is adjusted to the revalued amount.

Prior to July 1, 2014, the following two approaches to accumulated depreciation at the revaluation date were used (two revaluation methods):

The proportional revaluation method: depreciation is revalued in proportion to the change in the asset's carrying amount before depreciation is deducted so that, after revaluation, the carrying amount equals its revalued amount. That is, the value of fixed assets and accumulated depreciation increases (decreases) in proportion to the required change in the carrying amount (the change ratio is equal to the new carrying value divided by the carrying amount before revaluation). This method is often used when an asset is revalued to its depreciation cost by indexing.

The cumulative depreciation method: depreciation is written off against the carrying amount of the asset and the net amount is revalued. That is, the accumulated depreciation is written off and the value of the fixed asset increases (decreases) to the required book value. This method is used, for example, for buildings that are revalued to their market value.

Situation

Компания имеет производственное оборудование валовая балансовая стоимость 1 300 000 тенге. Справедливая стоимость оборудования на отчетную дату, определенная независимым оценщиком составляет 1 560 000 тенге. Амортизация на дату переоценки составляет 260 000 тенге.

With the proportional revaluation method (indexation method), the accountant made the following calculations. The balance cost of the equipment is 1,040,000

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tenges (1,300,000 - 260,000). Its revalued value is 1,560,000 tenges, so, the revaluation coefficient is $1,560,000 : 1,040,000 = 1.5$. The cost of the object should be increased to 1,950,000 tenges ($1,300,000 \times 1.5$), that is, by 650,000 tenges, and the accumulated depreciation should be increased to 390,000 tenge ($260,000 \times 1.5$), that is, by 130 000 tenges. The new carrying value after revaluation ($1950,000 - 390,000 = \text{KZT } 1,560,000$) is equal to the revalued amount.

in the amount of revaluation of the cost of production equipment

Debit 2410 Fixed assets/subaccount Equipment - 650,000 tenges

Credit 5420 Provision for revaluation of fixed assets - 650,000 tenges

revaluation of accumulated depreciation

Debit 5420 Provision for revaluation of fixed assets - 130,000 tenges

Credit 2420 Depreciation of fixed assets / subaccount Depreciation

24 Auction

1. This Regulation uses the following basic concepts used in the legislation of the Republic of Kazakhstan, as well as definitions, abbreviations specified in this Regulation:

1) electronic auction (hereinafter auction): a form of bidding on the web portal of the register, in which participants declare their bids publicly;

2) auction hall: a section of the registry web portal that provides the ability to enter, store and process information required for an auction;

3) auction number: a number assigned to a participant to participate in an auction, if there is an EDS;

4) method of bidding for price increases: a method in which the starting price rises with a pre-announced step;

5) the web portal of the register of state property (hereinafter referred to as the web portal of the register) is an Internet resource located on the Internet at the address: www.gosreestr.kz, providing a single point of access to the electronic database of sellers and state property objects sold by them, quasi-public sector and non-state property (hereinafter referred to as the database);

6) guarantee fee: an amount of money in the amount of 15% of the initial price of the object of sale, contributed by an individual or legal entity to participate in the auction, but not more than 30,000 times the monthly calculation index;

7) method of bidding for decreasing the price: a method in which the starting price decreases with an announced step;

8) electronic tender (hereinafter referred to as the tender): a tender for the sale of property of national managing holdings, national holdings and other legal entities controlled by national managing holdings on the register web portal, in which participants corresponding to the conditions of the tender are given the opportunity to increase their price proposals at an auction to increase prices;

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9) tender application: an offer submitted by a participant as part of an application for participation in a tender, drawn up in accordance with the notice of tenders and other documents of the seller, containing a comprehensive description of the conditions for acquiring the object of sale for the commission to make a decision on admitting tender participants to the auction to increase the price;

10) minimum price: the price below which the object of sale cannot be sold;

11) initial price: the price set by the seller taking into account the assessment report of an independent appraiser;

12) seller (person who alienates property): an individual or legal entity (owner of the object of sale and/or a person authorized by him) registered in the manner prescribed in the contract for the provision of electronic services for holding tenders on the register's web portal, concluded with the organizer;

13) object of sale: a property put up for auction by the seller;

14) organizer: Joint Stock Company "Information and Accounting Center", which has entered into an agreement with the seller for the provision of electronic services for holding tenders on the web portal of the register;

15) winner: the auction participant who offered the highest price for the object of sale and signed the protocol on the results of the auction; a participant in a tender (closed tender) who agreed with the tender conditions and signed a protocol on the results of the auction; the participant who meets the conditions of the tender, who offered the highest price for the object of sale at the auction for increasing the price and signed the protocol on the results of the auction, the participant in the tender who was the first to submit an electronic application and signed the protocol on the results of the auction;

16) buyer: the winning bidder who signed the purchase and sale agreement;

17) starting price: the price at which trading begins for each object of sale;

18) current price: the price of the object of sale, formed during the auction;

19) auction: a type of property sale;

20) closed tender: a tender in which a limited number of participants take part;

21) tender: a form of bidding in which participants declare their price proposals, which are uploaded in a closed electronic envelope on a specially designated web page of the register;

22) participant: an individual or legal entity registered in accordance with the procedure established by these Regulations to participate in the auction;

23) sale price: the final price of the object of sale, established as a result of the auction;

24) electronic digital signature (hereinafter referred to as EDS): a set of electronic digital symbols created by means of an electronic digital signature and confirming the authenticity of an electronic document, its ownership and the invariability of its content.

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2. It is not permitted to sell property on which, in the order established by the legislation of the Republic of Kazakhstan, the right of ownership is not registered for the seller, or on which an encumbrance is imposed.

3. The seller provides protection and control over the property sold at the auction and is responsible for its safety and accuracy of information on the property until the transfer of ownership to the buyer.

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