



IRSTI 06.73.15

<https://orcid.org/0000-0001-6799-0502>

<https://orcid.org/0000-0001-6662-7349>

<https://orcid.org/0000-0003-1937-7636>

<https://doi.org/10.32523/2789-4320-2024-1-325-342>

New edition of the Budget Code and concerns of improving budget policy

G.B. Utibayeva¹, A.K. Zhussupova*², B.S. Utibayev³

^{1,3} S.Seifullin Kazakh Agro-Technical Research University, Astana, Kazakhstan

² University of International Business (UIB), Almaty, Kazakhstan

(e-mails: ¹gulzhan79@mail.ru, ²aigera2008@gmail.com, ³ubs_51@mail.ru)

Abstract. *The need to update approaches to the formation and implementation of budget policy required the development of a new edition of the Budget Code, since reforming the budget system and improving budget policy is fundamentally based on the provisions of the Budget Code. The purpose of this article is to study the relationship between the main changes and additions made to the new edition of the Budget Code and their impact on improving budget policy.*

In accordance with the goal, using abstract-logical and comparative methods, the following tasks were considered: the content of individual sections and chapters of the draft new edition of the Budget Code and their relationship; indicators of the draft republican budget for the upcoming three-year period and their compliance with the introduced standards. It was noted that the content of the draft new edition of the Budget Code is aimed at simplifying budget processes, improving inter-budgetary relations and improving the quality of public financial management. The content and significance of the amended and newly introduced sections and chapters of the new Budget Code is assessed. Dynamic and structural changes in the forecast indicators of income and expenses of the three-year republican budget have been determined.

As a result of studying the issues under consideration, it was substantiated that the content of the new edition of the Budget Code will contribute to the implementation of the new economic course outlined by the head of State in this year's Address, improving approaches to the formation and implementation of budget policy, ensuring, first of all, the consolidation of all financial flows of the state, control strict adherence to budget rules and accountability of government bodies, including entities in the quasi-public sector of the economy.

Key words: *Budget Code, budget policy, draft three-year republican budget, improvement of budget policy, National Fund.*

Introduction

The current Address of the head of state quite clearly sets out the content of the new framework of the economy of Kazakhstan. In general, they spoke about a reset of macroeconomic policy, in particular, issues of lending, denationalization of the economy, tax and budget policy, as well as the development of specific sectors of the economy.

It is expected that political changes currently underway must be backed by real economic action. One of these economic actions is the problem of budget policy, which the president of the country focused on in his Address as “an extremely important problem - budget policy.” The Message emphasized that a year earlier the government was instructed to reform the budget system “by moving from “budget management” to “results management” [1].

At the same time, increasing the efficiency of budget policy largely depends on the condition of interbudgetary relations. Moreover, dramatic changes are currently taking place in regional politics. This is, first of all, the holding of direct elections of akims, as well as the ongoing administrative reform. To this we must add the planned transition to a new economic model. From these positions, the need for fundamental changes in interbudgetary relations becomes very urgent.

Let us note that direct elections of akims of districts and cities of regional significance are one of the important and significant components of the entire management system. Our country already has experience in holding elections of akims of regional cities, towns, rural districts and villages, in which 1,576 akims were elected. This experience shows that evolutionary and consistent reform of the electoral process makes it possible to adapt the governance system to the characteristics and needs of specific regions. At the same time, the nature of the relationship between the state and society changes, acquiring a higher level and making management more open and responsible.

However, we should not forget that any elections are organized and strictly controlled by higher levels of government, since in any power vertical, neither from the point of view of personnel, nor from the point of view of any bodies, in principle, there should be any manifestation of any independence.

In fact, the election of akims does not yet solve the problem of the development of local self-government. Therefore, in the Concept for the Development of Local Self-Government it is necessary to clearly define its concept, especially, as is known, the head of state instructed to consider the possibility of ratifying the European Charter of Self-Government of October 15 1985.

In the interpretation of the charter, “local self-government is understood as the right, the real ability of local governments to regulate a significant part of public affairs and manage them within the framework of the law under their own responsibility and in the interests of the local population” [2]. Hence, the concept of local self-government includes both state and local government functions, i.e. local self-government, on the one hand, is understood as the right of citizens to independently exercise local government, on the other hand, as one of the foundations of the constitutional system, the principle of organizing power, based on the separation of powers and management system.

At the same time, one cannot help but mention the improvement of the system of interbudgetary relations, since in order for all levels of government to independently exercise their powers and responsibilities, it is necessary for each of them at the legislative level to assign sources of income that correspond to their spending powers. It seems that the optimal model of interbudgetary relations should be formed on the basis, firstly, of streamlining the assignment of expenditure powers to management levels, for which their competencies should be clearly defined, and secondly, of streamlining the distribution of revenue sources among management levels. Thirdly, improving the system of interbudgetary transfers. Here it is possible to use certain formulas to calculate the amount of the transfer, which could take into account differences between administrative-territorial entities, or it is possible to use targeted transfers. Fourthly, the establishment of institutional and functional forms of management of territorial entities with the identification of sources of financing.

Thus, the improvement of interbudgetary relations should be carried out simultaneously with the delimitation of powers between the levels of state administration and self-government, as well as the formation of an optimal model of interbudgetary relations designed to provide all levels of management with sufficient financial resources, and the population with the necessary budget services.

Literature review

The first Budget Code in our republic was enacted in 2004, marking a pivotal moment where previously fragmented regulations were unified and issues pertaining to interbudgetary relations were methodically arranged. This significantly influenced the development of the comprehensive budget system. Subsequently, in 2008, the second Budget Code was introduced. This new code was adapted to accommodate a shift towards a three-year budget planning process, focusing on results and heralding a fresh phase in the budget system's reform. By 2023, in response to the evolving demands of global politics and the pursuit of a new economic direction, there arose a necessity to overhaul the current budget framework. This led to the decision to create an updated version of the Third Budget Code.

Since the content of this article is devoted to the consideration of the new edition of the Budget Code as a legislative act, in this structural part we will give the names of a number of legislative acts that are in one way or another directly related to the sphere of local self-government, division of powers, interbudgetary relations and, in general, budget policy. First of all, this is the Constitution (Basic Law) of the Republic of Kazakhstan, then the Law of the Republic of Kazakhstan "On Local Representative and Executive Bodies of the Republic of Kazakhstan", the Law of the Republic of Kazakhstan "On the Budget System", the Law of the Republic of Kazakhstan "On Local Public Administration". Taken together, all these legislative acts form the legal space for the development of public administration and local self-government in Kazakhstan, one of which is the Budget Code [3,4,5,6,7].

Some problems of budget policy were considered in the works of domestic and foreign authors, in which, to one degree or another, directions for improving interbudgetary relations and a number of other issues were outlined [8,9,10,11,12].

According to Article 89 of the Constitution of the Republic of Kazakhstan, local self-government is recognized within the framework of local government, has the authority to resolve issues of local importance, can be carried out by the compactly living population directly through elections, as well as through elected bodies, activities are carried out within the powers established by law.

However, the peculiarity of the section of the Constitution of the Republic of Kazakhstan “On local public administration and self-government” is that there is no clear distinction between the concepts of “public administration” and “local self-government”. In practice, this has led to the fact that the potential of local self-government is practically not fully utilized. The need to improve the system of local self-government was clearly stated in the September Address of the Head of State [13].

The concept of “local self-government” in most countries of the modern world usually covers two types of government bodies: firstly, it is a local representative body elected by the population of the corresponding administrative-territorial entity, which regulates and makes decisions on the most important local issues and, secondly, executive body (mayor, burgomaster, prefect, in our case – akim), designed primarily to carry out the decisions of the representative body and carry out operational management (it may also be entrusted with some national functions) [14].

The experience of studying classical municipal forms shows that one of the criteria for distinguishing them from other government bodies is their local character. Another criterion is certain formal guarantees of the organizational and functional independence of local governments. The formal guarantees of municipalities are also confirmed by a certain budgetary independence and the right of local rule-making within the limits established by law. The third criterion is that each municipal unit should be headed by a body elected by the population; this will constitute the organizational isolation of municipal institutions from other parts of the state apparatus. At the same time, there must be legislative guarantees of the organizational and functional independence of self-government bodies, its financial and budgetary independence, property rights, etc.

Methodology

The disclosure of the issues discussed in the article related to the assessment of the provisions of the new edition of the Budget Code was carried out on the basis of the use of an abstract-logical method, as well as using methods for comparing the calculated levels of dynamics and structural changes in revenues and expenses of the republican budget according to forecast data for the upcoming three-year period [5,6]. The scientific and practical value lies in the substantiation of a methodologically correct assessment of the relationship and the possibility of implementing the tasks of the country’s socio-economic development planned for the next three years. The justification is based on calculations of dynamic and structural changes that take place in the process of generating budget revenues of the republic and the main types of tax revenues, followed by their comparison with the amounts of expenses by functional groups.

The methodology for improving the system of interbudgetary relations should be aimed at achieving a balance of interests between the center and the regions, increasing the interest of local executive bodies in the development of the regional economy and ensuring the stability of revenues to budgets. The methodology for distributing income and expenses between different levels of budgets should ensure the distribution of revenue sources without splitting each type of tax between the republican budget and local budgets, while the areas of their use should be delineated. One of the sources of local budget revenue is the collection of taxes for the provision of goods and services by the local community, which are among the universal and non-excludable goods and services. Therefore, the local government, when a good or service provided by the local community is one of those goods and services, should have the power to enforce a local tax or fee. To achieve this, the representative body of local self-government must be given the right to introduce a system of local taxation for the provision of universal and non-excludable goods and services.

The methodology for the development of local self-government must be supplemented with a methodology for delineating functions and powers between vertical levels of government and provide for a methodology for the redistribution of budget funds - the methodological approach here should be such that, coordinating the interests of the center and regions, it is optimal to change interbudgetary financial flows.

The methodology for improving the system of interbudgetary relations must be considered simultaneously with the methodology for the formation and execution of the local budget, with the right of independent implementation of the budget process by local government bodies. The local budget must have its own sources of income, determined in accordance with the law and with their legislative consolidation, as well as the authority to form them in accordance with the Budget and Tax Codes of the republic. The Budget Code should establish the right of local governments to independently determine the direction of spending local budget funds and the right to independently determine the sources of financing the local budget deficit. At the same time, it is important to establish the inadmissibility of the withdrawal of income additionally received during the execution of the local budget, the amount of excess of income over expenses and the amount of savings on its expenses. At the same time, the inadmissibility of compensation for losses in income and additional expenses in the local budget at the expense of budgets of other levels, except in cases related to changes in legislation, should be established.

The methodology for forming an optimal model of interbudgetary relations should, firstly, include streamlining the assignment of spending powers to management levels with a clear definition of their competencies; secondly, streamlining the distribution of income sources across management levels; thirdly, – improving the system of interbudgetary transfers; fourthly, – establishment of institutional and functional forms of management of territorial entities with identification of sources of financing.

Findings and discussion

The problems of decentralization of the budget system and delegation of power to lower levels were constantly considered by state governing bodies and certain decisions were made on them. First of all, this concerned resolving issues of independence of regional budgets. As

you know, at present, part of the corporate income tax (CIT from small and medium-sized businesses), social tax, individual income tax, and property taxes have been transferred to the regional level. The head of state in his Address positively noted the transfer of part of the corporate income tax to the regions: “Last year, the growth of regional income exceeded 30%. Therefore, the next stage of the reform will be to extend this norm to other taxes, including VAT (value added tax).” As a result of all these measures taken, it is planned to reduce the dependence of local budgets on the republican budget to 25% (currently this figure is about 50%).

In this regard, it is of interest to formulate forecast indicators for the three-year republican budget for 2024-2026 (see Table 1).

Table 1 - Forecast values of income and expenses of the republican budget, billion tenge

Indicators	2024	2025	2026	Growth rate, %	
				2025	2026
Revenues, total	20194,8	19877,7	20908,7	98,4	105,2
including:					
tax revenues,	15759,8	16996,1	18025,3	107,8	106,1
of which VAT	7341,4	7475,0	8012,2	101,8	107,2
transfers, total	4070,8	2505,5	2504,2	61,5	99,9
including:					
from National fund	3600,0	2000,0	2000,0	55,6	-
Costs, total	23318,5	23513,1	24877,2	100,8	105,8
including:					
social assistance and welfare	5396,6	6113,1	6759,2	113,3	110,6
debt service	2022,6	2449,9	3524,1	121,1	143,8
transfers	5265,0	5774,3	5774,3	109,7	100,0
Note: compiled by the authors based on the draft of the republican budget for 2024-2026 [15].					

The data presented in Table 1 indicate that from the point of view of the structure of the republican budget in the upcoming three-year period, no significant changes are observed either in its revenue side or in its expenditure side. Thus, the main sources of budget revenue remain tax revenues, the share of which is projected from 78% in 2024, 85,5% in 2025 and up to 86,2% in 2026. As part of tax revenues, the share of value added tax is planned to be reduced from 46,6% in 2024 to 38,3% in 2026. Although, as can be seen, the projected volumes of revenue from this tax tend to grow. The reduction in the share of value added tax may be due precisely to the transfer of part of it to a lower budget level.

A comparative analysis of the execution of the republican budget revealed that the forecast data for 2021-2023 were exceeded in terms of income in 2021 and 2022. Specifically, in 2022, the income reached to 16 trillion tenge, achieving 101,9% of the forecast. This excess

is only due to tax revenues (predominantly from VAT). Budget expenditures for this year amounted to 18,5 trillion tenge and were executed by 98,6%.

The total amount of transfers (see Table 1) in the forecast for the next three years is significantly reduced by 38,5% in 2025 compared to 2024 and slightly (by 0,1%) in 2026 compared to 2025. For all forecast years, the total volume of transfers from the National Fund was reduced to 2000.0 billion tenge.

Thus, their share in 2024 is projected at 88,4% and 79,8% in 2025 and 2026. However, the total volume of transfers from the National Fund was reduced to 2000.0 billion tenge. This situation is related to the implementation of the instructions of the head of state to use funds from the National Fund only to finance critical infrastructure and strategic projects that meet certain criteria.

According to the forecast data of the republican budget for the upcoming three-year period given in Table 1, it is easy to see that budget expenses are expected to increase year by year. If for 2025 their growth is provided by only 0,8% compared to the level of 2024, then in 2026 compared to the level of 2025 the increase was already 5,8%. In the republican budget, according to forecast indicators, there is a faster growth rate of costs compared to the growth rate of revenues, which indicates, first of all, the presence of a budget deficit.

Judging by the cost structure, of the functional groups shown in Table 1, the largest share is occupied by group 06 "Social assistance and social welfare". This functional group accounts for from 23,1% to 27,2% of all budget expenditures, thereby implementing the objectives of state economic policy for the development of the social sphere.

Significant amounts of costs are provided for in the republican budget for servicing the public debt, which in the cost structure occupy 8,7%, 12,3% and 14,2%, respectively, in 2024, 2025 and 2026. It is pertinent to mention that, as per the ratified report on the 2022 republican budget execution, a sum of 2.9 trillion tenge, constituting 15.5% of the total expenditures, was allocated for loan servicing. Furthermore, it's important to note that the public debt level remains within the bounds of safety and does not surpass the upper limit set by the Public Finance Management Concept, which is 32% of GDP by the year 2030.

The volume of transfers from the republican budget is projected to be almost the same level (with a slight increase in 2025) and their share in the cost structure is 22,6% in 2024, 24,6% in 2025 and 23,2% in 2026. These data indicate that the level of support for regional budgets is still quite high.

The possibility of forming a socially oriented republican budget, since on average a quarter of its expenses is aimed at financing the social sphere, is due to a significant reduction in expenses for several functional groups. So, for example, if for 2024 the republican budget for the functional group 9 "Fuel and Energy Complex and Subsoil Use" provides 135,7 billion tenge, then for 2025 - only 13,2 billion tenge, for 2026 - only 12,5 billion tenge, i.e. There is an almost 10-fold reduction in costs. The same picture is observed in the functional group 07 "Housing and communal services" (reduction by almost 3 times), and in the functional group 12 "Transport and Communication" (reduction by almost 2 times), and in the functional group 13 "Other" (reduction by almost 2 times) [15].

Thus, the forecast indicators of the three-year republican budget have been generally developed and correspond to the goals and objectives of the reforms being carried out in the country. At the same time, the budget and its indicators are determined by the forecast of the socio-economic development of the republic for 2024-2028.

As is known from open sources, the forecast for the development of the country's economy was developed taking into account the expectations of international financial organizations regarding the assessment of global economic growth and changes in external markets. The basic economic development scenario was developed based on an assumed oil price of \$80 per barrel. At the same time, the average growth of the country's gross domestic product (GDP) over the five years will be 5,8%, real GDP growth will be 5,3% in 2024 with an increase in 2028 to 6%. In value terms, the nominal volume of the economy will reach 218,5 trillion tenge in 2028 from the level of 135 trillion tenge in 2024. Data from the forecast of the country's socio-economic development show that positive dynamics are expected in almost all basic sectors of the economy [16].

Based on the forecast data for the socio-economic development of the republic, the draft three-year republican budget is generally balanced and socially oriented, since it is aimed at the full and timely fulfillment of all state obligations in the social sphere and at ensuring economic development [9]. For example, in 2024, it is planned to allocate 9,9 trillion tenge to fulfill the state's social obligations, and 2,8 trillion tenge to develop priority sectors of the economy. Among such industries, the development of the manufacturing industry, small and medium-sized businesses, transport infrastructure and gasification are considered.

The forecast of the country's socio-economic development for 2024-2028 and the Draft Republican Budget for 2024-2026 will be implemented on the basis of the provisions of the new edition of the Budget Code [17]. Therefore, let us now fix on the changes that were made to the new edition of the code. First of all, we note that the new edition of the code takes into account the instructions of the president, reforms and trends of recent years, recommendations of international organizations, the Supreme Court of Audit, and the expert community, since 2004 a number of significant and consistent reforms have been carried out in the field of budget policy, it has been streamlined and systematized budget legislation, a transition to results-oriented budgeting has been made.

The new Budget Code provides for a norm for the development of a block budget, which will help increase the flexibility and independence of government bodies in the process of budget planning and execution. Essentially, a block budget is a method of planning budget expenditures in a specific government body (ministry, department, etc.). In this regard, in order to achieve the strategic goal, it is planned to enlarge budget programs, i.e., a direct rule is introduced prohibiting the opening of a second or third budget program for the same purpose. This approach should provide flexibility and independence in managing budget funds to achieve better results, and will also simplify the budget process by increasing the volume of redistribution of funds by adjusting between budget programs from 10% to 15%.

The block budget, along with the introduction into the acceptance code of establishing a block of basic expenses of a constant nature for three years, will contribute, on the one hand, to simplifying budget procedures, increasing budget flexibility and increasing the independence of budget program administrators in the process of budget planning and execution, on the other hand, since current administrative expenses will not be considered every year (if they remain unchanged) and, given that basic expenses occupy 50-60% of total expenses, will significantly relieve both administrators of budget programs and the relevant authorized bodies.

Also worthy of attention is the innovation introduced in the new edition of the code to optimize budget procedures. This is a combination of two documents - the budget program and the budget request. According to the developers, administrators of budget programs will now generate a single budget request. In this request, all information about the essence of the request itself will be disclosed, a passport of the budget program will be drawn up, calculations will be presented, which is then submitted in one package to the authorized body. At the same time, the budget program will not be separately agreed upon and approved. This will increase responsibility for the quality of drawing up the budget program, since it will be signed by its head, who bears full responsibility. It should be noted that the new code lays the foundation for the transition from the indicative planning method to full-fledged budget planning, since administrators of budget programs are given the right to independently redistribute budget funds.

Issues of improving interbudgetary relations in the new Budget Code relate, firstly, to the need to ensure openness and responsibility of all participants in the budget process, and secondly, to the need to increase the level of budgetary independence of the regions.

From this point of view, and in order to improve the quality of local budget expenditure planning, the new edition of the code provides for the definition of one basic document for the akim's activities - this is the development plan for the region, on the basis of which budget funds should be distributed. At the same time, as part of such a plan, an investment plan should also be developed, which serves as the basis for both the development of the budget and the development of the region. The presence of such a plan will help identify problem and priority areas in the region and settlements, since almost all government bodies have the relevant data.

The new code also specifies the procedure for planning and providing general transfers, including to local executive bodies. Instead of financing expenses with targeted transfers, general transfers include targeted subventions, which are planned by sectoral administrators of budget programs. At the same time, control over the execution of the local budget is strengthened by considering the results of assessing the achievement of target indicators. For example, according to the forecast for 2024, transfers from regional budgets, budgets of cities of republican significance, and the capital are expected to be received in the amount of more than 469,5 billion tenge, for 2025 – 505,5 billion tenge and for 2026 – 504,2 billion tenge. As can be seen, there is a slight decrease in the volume of budget withdrawals amounting to more than 1,0 billion tenge. As for the volume of subventions transferred from the republican budget to regional budgets and the budget of cities of republican significance, their amount from 5,265 billion tenge for 2024 increases to 5,774.3 billion tenge in subsequent planned years. For clarity, in Table 2 we present forecast comparative data on budget withdrawals and budget subventions.

Table 2 – Budget withdrawals and budget subventions

Indicators	Amounts, billion tenge		Share of regions, %	
	2023	2024	2023	2024
Volumes of budget withdrawals, total	431,0	469,5	100	100

including:				
Atyrau region	155,0	168,7	36,0	35,9
Almaty city	207,2	226,1	48,0	48,2
Astana	69,7	74,7	16,0	15,9
Volume of budget subsidies, total	4 995,0	5 265,0	100	100
including:				
Turkestan region	976,7	1 001,6	19,5	19,0
Kyzylorda Region	400,5	433,0	8,0	8,3
Jambyl Region	405,3	426,3	8,1	8,1
Zhetisu region	338,9	355,3	6,8	6,7
Akmola region	333,4	354,7	6,7	6,6
Karaganda region	312,0	322,8	6,2	6,2
Kostanay region	306,4	318,9	6,1	6,1
North-Kazakhstan region	306,3	316,6	6,1	6,0
The remaining 9 regions	1 615,5	1 735,8	32,5	33,0
Note: compiled by the authors based on [15]				

As can be seen from the data presented in Table 2, the forecast volumes of both withdrawals and subventions in 2024 compared to 2023 are increasing, although their structures remain virtually unchanged. That is, planning for 2024 remains at the level of 2023, since the minimum standards for general transfers provided for in the new edition of the code will be implemented from 2025.

The new edition of the Budget Code also provides for general requirements for the entire budget process. This is associated with the emergence of a new section “Budgeting Fundamentals of the Republic of Kazakhstan”, which strengthens the principles of a results-oriented budget and, above all, the principle that means that every tenge of the budget should be aimed at achieving a specific result. Another principle is openness of budget information and accountability to the population. In this regard, a separate chapter “Accountability and Transparency” was highlighted, which indicated the need to publish budget documentation and delineated the areas of responsibility of officials and participants in the budget process.

The next new chapter is called “Performance Management,” which includes tools used in the budget process and management decision making. These tools provide definitions, requirements, types of documents and responsibilities for conducting expenditure reviews, monitoring, evaluating results, and the role of public audit from a budgeting perspective.

We also note the appearance in the new edition of the Budget Code of a new section “Public Finance Management”. Definitions and tools of public financial management are concentrated here. The definitions relate to such concepts as budget policy, public finances, their sustainability, and also the authorized body is defined here - the Ministry of National Economy. Budget rules and their compliance are defined as tools. All this creates the basis necessary for analyzing the state of public finances and determining fiscal policy.

Table 3 – Forecast parameters for the formation and use of funds from the National Fund, billion tenge

Indicators	2024	2025	2026	Growth rate, %	
				2025	2026
Receipts, total	7 504,7	8 328,2	8 295,8	110,9	110,5
receipts from oil sector organizations	5 958,0	6 817,3	6 679,7	114,4	98,0
investment income from management of the National Fund	1 214,0	1 360,2	1 615,0	112,0	118,7
Receipts from the privatization of state property	332,7	150,7	1,1	45,3	0,7
Usage, total	3 623,9	2 027,3	2 032,3	55,9	100,2
Guaranteed transfer from the National Fund	2 000,0	2 000,0	2 000,0	-	-
Targeted transfer from the National Fund	1 600,0	0,0	0,0	-	-
Covering costs associated with managing the National Fund and conducting audits	23,9	27,3	32,3	114,2	118,3
Net savings in the National Fund	3 880,8	6 300,9	6 263,5	162,3	99,4
Proceeds of the National Fund at the end of the reporting period, total	32364,0	38247,9	44041,2	118,2	115,1

Note: compiled by the authors based on [15]

Note that by 2026, a decrease in the volume of revenues from oil sector organizations is predicted, an increase in investment income and, accordingly, the volume of proceeds of the National Fund (see Table 3). The forecast for an increase in the amount of net savings of funds is positive, as a result of which their ratio to the amount of receipts increases - from 51,7% in 2024 to 75,5% in 2026. We also note the reduction for 2024, and then, in subsequent years, the complete absence of targeted transfers from the National Fund. This corresponds to the introduction of restrictions on the use of targeted transfers and the introduction of corresponding criteria in the new section “Public Financial Management” of the Budget Code.

To account for and manage the borrowing process, the same section provides the norm for the consolidation of all debt obligations - government debt, government-guaranteed debt, export support guarantees, obligations, guarantees. Also, in order to ensure transparency and accountability of the activities of quasi-public sector entities in the management of budget funds allocated to them, norms are included for their participation in the budget

process, both at the planning and execution stages, and reporting. The norm also concerns the obligation of quasi-public sector entities to publish information about their loans and strengthen their responsibility for the use of loan funds.

This section also contains chapters relating to the National Fund and extra-budgetary funds. First of all, we note the introduction of restrictions on the use of targeted transfers from the National Fund; appropriate criteria have been introduced. In particular, critical objects will include life-supporting infrastructure, for example, the modernization of roads, utility networks and communications, and a strategic project can be called the construction, for example, of a plant that provides jobs and generates additional taxes. The concept of country-wide facilities includes identical facilities (projects) that are simultaneously built (implemented) in several regions, such as the “Comfortable Schools” project, “Modernization of Rural Health Care”.

The volume of withdrawals from the National Fund for targeted requirements is also limited. But a separate article includes provisions for the “National Fund for Children” project in the Budget Code - these will be targeted requirements annually accrued to children until they reach the age of 18.

Conclusions

Summarizing all of the above, we note that the new edition of the Budget Code as a whole is a document aimed at improving budget processes and inter-budgetary relations, and defining the basis for the distribution of public finances. With regard to improving the quality of public financial management, the introduction of block budgeting, designed to strengthen the independence and efficiency of government bodies, deserves attention. Consequently, the new edition of the code, as noted during its discussion in the Mazhilis of the Parliament of the Republic of Kazakhstan, will facilitate the transition to a new model of public financial management, bearing in mind all state financial flows, including information on debts, and not only on public debt, but also debts quasi-public sector [18]. However, it must be recognized that achieving a positive effect as a result of the introduction of a new budget policy takes time, since the gradual implementation of new management tools is envisaged. For example, from 2025, minimum standards for transport and other infrastructure, norms for general transfers will be introduced, from 2026 it is planned to introduce an analytical report on tax expenses, and from 2027 – consolidated financial statements. That is, after this time, we can evaluate how the norms of the new edition of the Budget Code are being implemented and what results were obtained.

At the same time, we would like to note that there are still unresolved problems in the budget system of our country. For example, the new edition of the Budget Code does not contain a requirement for the budget system to ensure full application of the methodology for generating information on government finance statistics in accordance with the requirements of the IMF, and also that the rules and procedures for accounting and reporting of the budget system must fully comply with international standards financial statements used for the public sector. This is about the credibility of budget policy.

From these positions, the new Budget Code can be considered as a key instrument of state economic policy that contributes to the implementation of tasks for the socio-economic development of the country. In summary, the proposed changes and additions to the Budget Code are poised to positively influence the country's budget policy. Primarily, by enhancing the clarity and detail in presenting budget information to the public and stakeholders, we anticipate improved transparency in the budget process and reporting. This will facilitate a clearer understanding of how public finances are utilized. Additionally, the enhancements to the budget planning system, the more precise delineation of priority spending areas, and the implementation of measures for budget execution control are expected to contribute to a more efficient allocation of budgetary resources.

The provisions outlined in the new version, targeting the reduction of the budget deficit, effective management of public debt, and the establishment of reserves for financial challenges, are crucial for ensuring the financial stability of the state. Furthermore, the proposed budgetary measures aim to direct funds towards stimulating economic growth by investing in key sectors, supporting entrepreneurship, and implementing measures to foster new job creation.

Overall, the updated edition of the Budget Code is set to serve as the foundation for an open, sustainable, and effective budget policy, aligned with the needs of the country's citizens and geared towards stimulating its development. The introduced innovations are expected to assist in adapting budget policy to evolving economic conditions.

References

1. Послание Главы государства К-Ж.К. Токаева народу Казахстана «Экономический курс справедливого Казахстана»// «Казахстанская правда», 2 сентября 2023 г., № 166.
2. European Charter of Local Self-Government/ CETS 122 – Self-Government, 15. X.1985. -URL: <https://rm.coe.int/european-charter-of-local-self-government-eng/1680a87cc3>. (accessed 02.09.2023)
3. Конституция Республики Казахстан. Статья 89. 2020 г. URL:http://www.akorda.kz/ru/official_documents/constitution. (accessed 02.09.2023).
4. Закон Республики Казахстан “О местных представительных и исполнительных органах Республики Казахстан” (с дополнениями и изменениями). - 2020. - URL: <https://kodeksy-kz.com/ka/zakony.htm>. (accessed 03.09.2023).
5. Закон Республики Казахстан «О государственной службе» (с дополнениями и изменениями). 2020 г. URL: <https://kodeksy-kz.com/ka/zakony.htm> . (accessed 03.09.2023).
6. Закон Республики Казахстан “О бюджетной системе” (с дополнениями и изменениями). 2020 г. URL: <https://kodeksy-kz.com/ka/zakony.htm>. (accessed 03.09.2023).
7. Закон Республики Казахстан «О местном государственном управлении» (с дополнениями и изменениями). 2020. URL: <https://kodeksy-kz.com/ka/zakony.htm>. (accessed 03.09.2023)
8. Richard Tresch. Public Finance, Academic Press. California. - 2014. - 534 p.
9. Искаков У. М. Проблемы бюджетной политики Казахстана и пути их решения//Central Asian Economic Review. - 2018. - №3. - С.52-60.
10. Cal Clark, Charles E. Menifield, LaShonda M. Stewart. Policy Diffusion and Performance-based Budgeting // International Journal of Public Administration.- 2018.-Vol. 41 (7).-P. 528-534

11. Klimovsky D., Geert Bouckaert, Christoph Reichard. Linking budgeting to results? Evidence about performance budgets in European municipalities based on a comparative analytical model // Public Management Review. 2017. Vol. 19 (7). 932-953.
12. N. Kuchukova, G. Kerimbek, A. Zhussupova. The financial aspects of the third economic modernization in Kazakhstan // Journal of Social Sciences Research. 2018. Vol.4, Issue. 12. 483-490. DOI: <https://doi.org/10.32861/jssr.412.483.490>
13. Мемлекет басшысы Қ-Ж. Тоқаевтың Қазақстан халқына Жолдауы «Жаңа жағдайдағы Қазақстан: іс-қимыл кезеңі». 2020 жылғы 1 қыркүйек. [Электрон. ресурс]. 2020.- URL: <http://www.akorda.kz/ru/addresses/addresses> (қараған күн: 1.01.2022ж.)
14. V. I. Tikhii, E. E. Afanasieva, O. V. Koreva. Evaluation of the Development of Rural Areas of the Region and Their Classification by the Level of Sustainability for the Purposes of Regional Policy.- Proceeding of the International Science and Technology Conference «FarEastCon 2019» pp 629-642 (accessed 14 April 2020) URL:https://link.springer.com/chapter/10.1007%2F978-981-15-2244-4_59
15. «О республиканском бюджете на 2024-2026 годы» / проект Закона Республики Казахстан. – URL:<https://www.gov.kz/memleket/entities/minfin/documents/details/509179?lang=ru>
16. Прогноз социально-экономического развития Республики Казахстан на 2024-2028 годы. URL:https://www.gov.kz/uploads/2023/5/18/8bc383b31bf96e92bbe32b996c46592b_original.844423.pdf. (accessed 05.09.2023).
17. Бюджетный кодекс Республики Казахстан (в новой редакции). - URL:<https://legalacts.egov.kz/npra/view?id=14550238> (accessed 03.09.2023).
18. Мажилис Парламента Республики Казахстан - URL: <https://www.parlam.kz/ru/mazhilis/news-details/id50853/1/1> (accessed 05.09.2023).

Г.Б. Утибаева¹, А.К. Жусупова², Б. С. Утибаев³

^{1,3} С. Сейфуллин атындағы Қазақ агротехникалық
Университеті, Астана, Қазақстан

²Халықаралық бизнес университеті
Алматы, Қазақстан

Бюджеттік кодекстің жаңа редакциясы және бюджеттік саясатты жетілдіру мәселелері

Аңдатпа. Мақаланың мақсаты – Бюджеттік кодекстің жаңа редакциясына енгізілген негізгі өзгерістерді, олардың мәні мен мемлекеттік қаржыны басқарудағы рөлін қарастыру. Бюджеттік саясатты қалыптастыру және іске асыру тәсілдерін жаңарту қажеттілігі Бюджеттік кодекстің жаңа редакциясын әзірлеуді талап етті, өйткені бюджет жүйесін реформалау және бюджеттік саясатты жетілдіру негізінен Бюджеттік кодекстің ережелеріне негізделеді.

Мақсатқа сәйкес мақалада абстракті-логикалық және салыстырмалы әдістерді қолдана отырып, жуырда Үкімет отырысында қаралған Бюджеттік кодекстің жаңа редакциясы жобасының жекелеген бөлімдері мен тарауларының мазмұны, алдағы үш жылдық кезеңге арналған республикалық бюджет жобасының көрсеткіштері қарастырылды. Бюджеттік

кодекстің жаңа редакциясы жобасының мазмұны бірінші кезекте бюджеттік процестерді жеңілдетуге, бюджетаралық қатынастарды жақсартуға және мемлекеттік қаржыны басқару сапасын арттыруға бағытталғаны айтылды. Жаңа Бюджеттік кодекстің өзгертілген және жаңадан енгізілген бөлімдері мен тарауларының мазмұны мен маңыздылығына баға берілді. Үш жылдық республикалық бюджеттің кірістері мен шығыстары болжамды көрсеткіштерінің динамикалық және құрылымдық өзгерістері айқындалды. Республикалық бюджет жобасы алдағы үш жылға өзінің әлеуметтік бағытын сақтайтыны атап өтілгенімен, қарыздарға қызмет көрсету мен Ұлттық қор қаражатын пайдалану есебінен шығындар құрылымында біршама өзгерістер бар екені айтылды.

Қарастырылып отырған мәселелерді зерделеу нәтижесінде Бюджеттік кодекс жаңа редакциясының мазмұны Мемлекет басшысы биылғы Жолдауында атап көрсеткен жаңа экономикалық бағытты іске асыруға, қалыптастыру тәсілдерін жетілдіруге ықпал ететіні және бюджеттік саясатты жүзеге асыру, ең алдымен, мемлекеттің барлық қаржылық ағындарының шоғырлануын, бюджеттік ережелердің қатаң сақталуын және мемлекеттік ұйымдардың, оның ішінде экономиканың квазимемлекеттік секторы субъектілерінің есептілігін бақылауды қамтамасыз етуге бағытталғаны дәлелденді.

Негізгі сөздер. Бюджеттік кодекс, бюджеттік саясат, үш жылдық республикалық бюджет жобасы, бюджеттік саясатты жетілдіру, Ұлттық қор.

Г.Б. Утибаева¹, А.К. Жусупова², Б.С. Утибаев³

^{1,3} *Казахский агротехнический исследовательский университет им. С. Сейфуллина, Астана, Казахстан*

² *Университет международного бизнеса, Алматы, Казахстан*

Новая редакция бюджетного кодекса и вопросы совершенствования бюджетной политики

Аннотация. В данной статье мы преследовали цель – рассмотреть основные изменения, внесенные в новую редакцию Бюджетного кодекса, их значения и роль в управлении государственными финансами. Необходимость актуализации подходов к формированию и реализации бюджетной политики потребовала разработки новой редакции Бюджетного кодекса, поскольку реформирование бюджетной системы и совершенствование бюджетной политики в основе своей опирается на положения Бюджетного кодекса.

В соответствии с целью в статье с использованием абстрактно-логического и сравнительного методов рассмотрены содержание отдельных разделов и глав проекта новой редакции Бюджетного кодекса, который недавно был рассмотрен на заседании правительства, показатели проекта республиканского бюджета на предстоящее трехлетие. Отмечено, что содержание проекта новой редакции Бюджетного кодекса направлено, прежде всего, на упрощение бюджетных процессов, совершенствование межбюджетных отношений и повышение качества управления государственными финансами.

В результате изучения рассматриваемых вопросов обосновано, что содержание новой редакции Бюджетного кодекса будет способствовать реализации нового экономического

курса, обозначенного Главой государства в Послании этого года, совершенствованию подходов к формированию и реализации бюджетной политики, обеспечению, в первую очередь, консолидации всех финансовых потоков государства, контролю строгого соблюдения бюджетных правил и подотчетности государственных органов, включая субъекты квазигосударственного сектора экономики.

Ключевые слова: Бюджетный кодекс, бюджетная политика, проект трехлетнего республиканского бюджета, совершенствование бюджетной политики, Национальный фонд.

References

1. Poslanie glavy gosudarstva K.-J.K. Tokaeva narodu Kazahstana “*Ekonomicheskiy kurs spravedlivogo Kazahstana*” [Message from the Head of State K.-Zh.K. Tokayev to the people of Kazakhstan “*Economic course of a fair Kazakhstan*”. “*Kazahstanskaya Pravda*”, September 2, (2023), No. 166 (in Russian)]
2. European Charter of Local Self-Government/CETS 122 – Self-Government, 15. X.1985. -Available at: <https://rm.coe.int/european-charter-of-local-self-government-eng/1680a87cc3> (in English)
3. Constitution (Basic Law) of the Republic of Kazakhstan [Constitution (Basic Law) of the Republic of Kazakhstan].Article 89. 2020. Available at:http://www.akorda.kz/ru/official_documents/constitution (in Russian)
4. Zakon Respubliki Kazahstan “*O mestnyih predstavitelnyih i ispolnitelnyih organah Respubliki Kazahstan*” (s dopolneniyami i izmeneniyami) [Law of the Republic of Kazakhstan “*On local representative and executive bodies of the Republic of Kazakhstan*” (with additions and amendments)]. (2020). Available at: <https://kodeksy-kz.com/ka/zakony.htm> (in Russian)
5. Zakon Respubliki Kazahstan «*O gosudarstvennoy sluzhbe*» (s dopolneniyami i izmeneniyami). [Law of the Republic of Kazakhstan “*On Civil Service*” (with additions and amendments)]. (2020). Available at: <https://kodeksy-kz.com/ka/zakony.htm> (in Russian)
6. Zakon Respubliki Kazahstan “*O byudzhethnoy sisteme*” (s dopolneniyami i izmeneniyami) [Law of the Republic of Kazakhstan “*On the Budget System*” (with additions and amendments)] (2020). Available at:<https://kodeksy-kz.com/ka/zakony.htm> (in Russian)
7. Zakon Respubliki Kazahstan «*O mestnom gosudarstvennom upravlenii*» (s dopolneniyami i izmeneniyami) [Law of the Republic of Kazakhstan “*On Local Public Administration*” (with additions and amendments)] (2020). Available at:<https://kodeksy-kz.com/ka/zakony.htm> (in Russian)
8. Richard Tresch. *Public Finance*, Academic Press. California.. 534 (2014) (in English)
9. Iskakov U.M. (2018) Problemy byudzhethnoj politiki Kazahstana i puti ih resheniya [Iskakov U.M. (2018) Problems of budget policy of Kazakhstan and ways to solve them]// *Central Asian Economic Review*. Vol.3. 52-60 (in Russian)
10. Cal Clark, Charles E. Menifield, LaShonda M. Stewart. Policy Diffusion and Performance-based Budgeting // *International Journal of Public Administration*. 2018.Vol. 41 (7), 528-534 (in English)
11. Daniel Klimovsky, Geert Bouckaert, Christoph Reichard. Linking budgeting to results? Evidence about performance budgets in European municipalities based on a comparative analytical model // *Public Management Review*. 2017. Vol. 19 (7). 932-953. (in English)

12. N. Kuchukova, G. Kerimbek, A. Zhussupova. The financial aspects of the third economic modernization in Kazakhstan//Journal of Social Sciences Research. 2018. Vol.4, Issue. 12. 483-490. DOI: <https://doi.org/10.32861/jssr.412.483.490> (in English)
13. Glava gosudarstva K-ZH. Obrashchenie Tokaeva k narodu Kazakhstana «Kazakhstan v novoj situacii: period dejstviya» [Head of State K-Zh. Address of Tokayev to the people of Kazakhstan «Kazakhstan in the new situation: the period of action»]. September 1, 2020. Available at:<http://www.akorda.kz/ru/addresses/addresses> (1.01.2022) (in Russian)
14. V. I. Tikhii, E. E. Afanasieva, O. V. Koreva. Evaluation of the Development of Rural Areas of the Region and Their Classification by the Level of Sustainability for the Purposes of Regional Policy [Ocenka razvitiya sel'skih territorij regiona i ih klassifikaciya po urovnyu ustojchivosti dlya celej regional'noj politiki]. Proceeding of the International Science and Technology Conference «FarEastCon 2019» pp 629-642 (14 April 2020) Available at: https://link.springer.com/chapter/10.1007%2F978-981-15-2244-4_59 (in English)
15. Proekt zakona RK»O respublikanskom budgete na 2024-2026 gody [The draft of the law on Republican Budget of the Republic of Kazakhstan for 2024-2026] Available at:<https://www.gov.kz/memleket/entities/minfin/documents/details/509179?lang=ru> (in Russian)
16. Prognoz sotsialno-ekonomicheskogo razvitiya Respubliki Kazahstan [Forecast of socio-economic development of the Republic of Kazakhstan for 2024-2028]. (2023) (in Russian) Available at:https://www.gov.kz/uploads/2023/5/18/8bc383b31bf96e92bbe32b996c46592b_original.844423.pdf
17. Byudzhetnyj kodeks Respubliki Kazahstan (v novoj redakcii) [Budget Code of the Republic of Kazakhstan (new edition)] Available at:<https://legalacts.egov.kz/npa/view?id=14550238> (03.09.2023)
18. Mazhilis of the Parliament of the Republic of Kazakhstan [Mazhilis of the Parliament of the Republic of Kazakhstan] Available at:<https://www.parlam.kz/ru/mazhilis/news-details/id50853/1/1> (05.09.2023) (in Russian)

Information about authors

Utibayeva G.B. – candidate of economic science, associate professor, S.Seifullin Kazakh Agro-Technical Research University, Zhenis Avenue 62, Astana, Kazakhstan, ORCID ID: 0000-0001-6799-0502

Zhussupova A.K. – University of International Business (UIB), 8A Abay Avenue, Almaty, Kazakhstan, ORCID ID: 0000-0001-6662-7349

Utibayev B.S. – candidate of economic science, professor, S.Seifullin Kazakh Agro-Technical Research University, Astana, Zhenis Avenue 62, Kazakhstan, ORCID ID: 0000-0003-1937-7636

Утибаева Гульжан Бегендыковна – э.ғ.к., С. Сейфуллин атындағы Қазақ агротехникалық университетінің доценті, Астана, Жеңіс даңғылы 62, Қазақстан. ORCID ID: 0000-0001-6799-0502

Жусупова Айгерим Кайратовна, – э.ғ.к., Халықаралық бизнес университетінің доценті, Алматы қаласы, Абай даңғылы 8А, Қазақстан, ORCID ID: 0000-0001-6662-7349

Утибаев Бегендык Саутович – э.ғ.к., С. Сейфуллин атындағы Қазақ агротехникалық университетінің профессоры, Астана, Жеңіс даңғылы 62, Қазақстан, ORCID ID: 0000-0003-1937-7636



Copyright: © 2024 by the authors. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution (CC BY NC) license (<https://creativecommons.org/licenses/by-nc/4.0/>).