

On approval of the Rules for monitoring and control over external and internal loans of the quasi-public sector

Unofficial translation

Resolution of the Government of the Republic of Kazakhstan No. 210 dated April 20, 2018.

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In pursuance of Article 199 of the Budget Code of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan **hereby RESOLVES:**

Footnote. Preamble - as amended by Resolution No. 1100 of the Government of the Republic of Kazakhstan dated 29.12.2022 (shall be enforced ten calendar days after the date of its first official publication).

1. To approve the attached Rules for monitoring and control over external and internal loans of quasi-public sector.

2. This decree shall be put into effect upon expiry of ten calendar days after the day of its first official publication.

*Prime Minister
of the Republic of Kazakhstan*

B. Sagintayev
Approved
by decree no. 210 of the
Government
of the Republic of Kazakhstan
dated April 20, 2018

Rules for monitoring and control over external and internal loans of quasi-public sector

Chapter 1. General Provisions

1. These Rules for monitoring and control over external and internal loans of the quasi-public sector (hereinafter -the Rules) have been developed in pursuance of Article 199 of the Budget Code of the Republic of Kazakhstan and establish the procedure for monitoring and control over external and internal loans of the quasi-public sector.

Footnote. Paragraph 1 – as amended by Resolution No. 1100 of the Government of the Republic of Kazakhstan dated 29.12.2022 (shall be enforced ten calendar days after the date of its first official publication).

2. These Rules are purposed to monitoring of the state of external and internal debt of the quasi-public sector and control over compliance with the restrictions established by the Concept of Public Finance Management of the Republic of Kazakhstan until 2030.

Footnote. Paragraph 2 – as amended by Resolution No. 1100 of the Government of the Republic of Kazakhstan dated 29.12.2022 (shall be enforced ten calendar days after the date of its first official publication).

3. Basic terms used in these Rules shall be as follows:

1) development plan - a document that defines the main activity areas and indicators of financial and economic activities of a state enterprise, joint-stock company and limited liability partnership, whose controlling stake (share in the authorized capital) is held by the state, for a five-year term;

2) external loan of subjects of quasi-public sector – a loan, in which the lender is a non-resident of the Republic of Kazakhstan;

3) internal loan of subjects of quasi-public sector – a loan, in which the lender is a resident of the Republic of Kazakhstan;

4) loan – credits, loans, debt securities, and other debt liabilities attracted from domestic and foreign markets;

5) borrower - a subject of quasi-public sector;

6) register of state property (hereinafter - the register) - a unified automated information system of state property accounting, with the exception of property under the management of special state bodies, the Armed Forces, other troops and military formations of the Republic of Kazakhstan, and the state material reserve;

7) external debt – amount on a specific date of the received and outstanding amounts of borrower loans to non-residents of the Republic of Kazakhstan;

7-1) action plan - a document that defines the main activity areas and indicators of the financial and economic activities of the national managing holding, the national holding and the national company for a five-year term;

8) internal debt – amount on a specific date of the received and outstanding amounts of borrower loans to residents of the Republic of Kazakhstan.

Footnote. Paragraph 3 – as amended by Resolution No. 1100 of the Government of the Republic of Kazakhstan dated 29.12.2022 (shall be enforced ten calendar days after the date of its first official publication).

Chapter 2. The procedure for exercising the monitoring

4. Monitoring of the current state of external and internal debt of borrowers shall be carried out within the development plans and action plans.

Footnote. Paragraph 4 – as amended by Resolution No. 1100 of the Government of the Republic of Kazakhstan dated 29.12.2022 (shall be enforced ten calendar days after the date of its first official publication).

5. Registration and accounting of receipts of internal and external loans, payments for repayment and debt servicing shall be carried out by borrowers independently.

6. Accounting of payments, the balance of the debt shall be made at nominal value. Accounting of debt securities shall be made based on the results of initial placement and nominal value.

7. On a quarterly basis, before the 10th day of the month following the reporting month, the borrowers shall file information on loans indicating the plan for attracting loans for the upcoming five-year term to the register in electronic form according to:

Form 10 of Appendix 2 to the Rules for the development, approval of action plans for national managing holdings, national holdings, national companies, in which the state is a shareholder, as well as monitoring and evaluation of their execution, approved by the order of the Minister of National Economy of the Republic of Kazakhstan dated February 27, 2015 No. 149 (registered in the Register of State Registration of Regulatory Legal Acts under No. 10663), with the exception of the National Welfare Fund Samruk-Kazyna joint-stock company (hereinafter -the Fund);

Appendix 26 to the Rules for the development, approval of development plans for state-controlled joint stock companies and limited liability partnerships, state enterprises, monitoring and evaluation of their execution, as well as the development and submission of reports on their execution, approved by the order of the Minister of National Economy of the Republic of Kazakhstan dated February 14, 2019 No. 14 (registered in the Register of State Registration of Regulatory Legal Acts under No. 18328).

Footnote. Paragraph 7 – as amended by Resolution No. 1100 of the Government of the Republic of Kazakhstan dated 29.12.2022 (shall be enforced ten calendar days after the date of its first official publication).

8. On a quarterly basis, before the 25th day of the month following the reporting month, the Fund shall post information on loans indicating the plan for attracting loans for the upcoming five-year term on the Internet resource of the fund as required by Form 1, approved by the Resolution of the Government of the Republic of Kazakhstan dated October 31, 2012 No. 1384 "On approval of the Rules for posting reports required by state bodies on the Internet resource of the National Welfare Fund, as well as the list, forms and frequency of posting reports".

Footnote. Paragraph 8 – as amended by Resolution No. 1100 of the Government of the Republic of Kazakhstan dated 29.12.2022 (shall be enforced ten calendar days after the date of its first official publication).

9. Borrowers shall submit to the central authorized body for budget implementation on a quarterly basis an analytical note containing information on debt and on a half-year basis an adjusted forecast of external and internal borrowing for the current year.

In case of amendments of the plans for attraction of loans for the next five-year period, the borrowers shall coordinate these amendments with the central authorized body for budget implementation.

10. The authorized body for state property shall send an executive summary on loans to the central authorized body for budget implementation, within the period no later than the 5th day of the second month after the accounting period.

11. The executive summary on loans shall include:

- 1) Data on condition of the loan of the borrowers as of the first day of the month following the accounting period;
- 2) Data on condition of the issued debt securities, as well as budget credits and other debt obligations (date of placement, interest rate, maturity date, term of circulation, currency of issue and servicing);
- 3) data on the actual receipt of loans, payments made on the repayment and servicing of loans in the accounting period, including data on the availability of overdue payments and their payment;
- 4) information about the attraction of loans in the accounting period;
- 5) plan of attraction of loans for the next five-year period.

Chapter 3. Procedure for exercising the control

12. Quarterly, basing on the information on the state of the public debt, the central authorized body for budget execution shall monitor compliance with the following debt restrictions provided for by the Concept of Public Finance Management of the Republic of Kazakhstan until 2030:

1) the threshold of the government debt and the debt of the quasi-public sector shall be no more than 53.2% of the gross domestic product in aggregate, including the threshold of the debt of the quasi-public sector that shall be no more than 21.2% of the gross domestic product . The calculation of the debt threshold shall not include mutual liabilities of state-controlled entities and liabilities of non-resident controlled entities;

2) the volume of the external debt of the Government (taking into account the external debt guaranteed by the state) and the external debt of the quasi-public sector entities shall not exceed the amount equal to 75% of the amount of the currency assets of the National Fund of the Republic of Kazakhstan.

Footnote. Paragraph 12 – as amended by Resolution No. 1100 of the Government of the Republic of Kazakhstan dated 29.12.2022 (shall be enforced ten calendar days after the date of its first official publication).

13. The calculation of the debt of quasi-public sector shall be formed by the central authorized body for budget implementation on the basis of:

Information about current condition of the state and guaranteed by the state debt;

Information about current condition of the debt of the borrowers;

Macroeconomic indicators of the forecast of social-economic development (gross domestic product, currency assets of the National Fund of the Republic of Kazakhstan, the level of inflation, earnings-growth rates).

14. the central authorized body for budget implementation on a quarterly basis no later than the 10th day of the second month following the accounting period shall send information

about the condition of the debt of the borrowers and compliance with the debt limits to the Government of the Republic of Kazakhstan and the central authorized body for state planning

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