



On approval of the Rules for monitoring of the state-guaranteed obligation on export support and financial condition of the national company carrying out the functions of export support, which has a state guarantee for export support

Unofficial translation

Order of the First Deputy Prime Minister of the Republic of Kazakhstan – Minister of Finance of the Republic of Kazakhstan dated February 12, 2020 no. 138. Registered with the Ministry of Justice of the Republic of Kazakhstan on February 13, 2020 no. 20033

Unofficial translation

In accordance with article 225-5 of the Budget Code of the Republic of Kazakhstan dated December 4, 2008 I HEREBY ORDER:

1. To approve the attached Rules for monitoring of the state-guaranteed obligation on export support and financial condition of the national company carrying out the functions of export support, which has a state guarantee for export support.

2. The Department of State Borrowing of the Ministry of Finance of the Republic of Kazakhstan in accordance with the procedure established by law shall ensure:

1) state registration of this order with the Ministry of Justice of the Republic of Kazakhstan;

2) placement of this order on the Internet resource of the Ministry of Finance of the Republic of Kazakhstan;

3) within ten working days after the state registration of this order with the Ministry of Justice of the Republic of Kazakhstan submission to the Department of Legal Service of the Ministry of Finance of the Republic of Kazakhstan of information about execution of measures stipulated by subclauses 1) and 2) of this clause.

3. This order shall come into force upon expiry of ten calendar days after the date of its first official publication.

*First Deputy Prime Minister
of the Republic of Kazakhstan-Minister of Finance*

A. Smailov

Ministry of Trade and
of the Republic of Kazakhstan

" A G R E E D "

Ministry of National
of the Republic of Kazakhstan

" A G R E E D "

Approved
by the order
of the First Deputy
Prime Minister

Rules for monitoring of the state-guaranteed obligation on export support and financial condition of the national company carrying out the functions of export support, which has a state guarantee for export support

Chapter 1. General Provisions

1. These Rules for monitoring of the state-guaranteed obligation on export support and financial condition of the national company carrying out the functions of export support, which has a state guarantee for export support (hereinafter referred to as the Rules) have been developed in accordance with article 225-5 of the Budget Code of the Republic of Kazakhstan dated December 4, 2008 (hereinafter referred to as the Budget Code) and shall determine the procedure for monitoring of the state-guaranteed obligation on export support and financial condition of the national company, carrying out the functions of export support, which has a state guarantee for export support.

The procedure for of the Republic of Kazakhstan for export support is regulated by the Rules for provision of the state guarantee of the Republic of Kazakhstan for export support, approved by the order of the First Deputy Prime Minister of the Republic of Kazakhstan – Minister of Finance of the Republic of Kazakhstan dated July 2, 2019 no. 674 (registered in the Register of State Registration of Regulatory Legal Acts under no.19026).

2. The following basic concepts shall be used in these Rules:

1) special loan account – an account, opened by a national company performing the function for export support in a second-tier bank or an organization carrying out certain types of banking operations, authorized to service state-guaranteed obligations for export support and intended to transfer funds from the republican budget in order to fulfill state-guaranteed obligations for export support, and return to the republican budget of funds allocated for the fulfillment of obligations under the State Guarantee;

2) a bank – a legal entity that is a commercial organization, which, in accordance with the Law of the Republic of Kazakhstan dated August 31, 1995 "On Banks and Banking Activities in the Republic of Kazakhstan", is eligible to carry out banking activities;

3) the central authorized body for budget execution (hereinafter referred to as the authorized body for budget execution) – the central executive body exercising the management and intersectoral coordination in the field of budget execution, accounting, budget accounting and budget reporting on the execution of the republican budget and, within

its competence, local budgets, the Victims Compensation Fund, the National Fund of the Republic of Kazakhstan on the basis of the report of the National Bank of the Republic of Kazakhstan;

4) a guarantee contract – a written agreement between the authorized body for budget execution and the national company performing the functions for export support, establishing the legal relationship, obligations and responsibilities of the parties when providing the State Guarantee;

5) a state (government, sovereign) guarantee of the Republic of Kazakhstan for export support (hereinafter referred to as the State Guarantee) – the obligation of the Government of the Republic of Kazakhstan to the national company performing the functions for export support in accordance with the terms of the guarantee agreement, to fully or partially repay its arrears of insurance payments;

6) a state guarantee agreement – an agreement between the authorized body for budget execution, an authorized person (agent) and a national company performing the functions for export support, establishing the legal relationship of the parties on provision of a state guarantee, return of funds of the republican budget diverted in the event of fulfillment of obligations under the state guarantee;

7) an authorized person (agent) – a person who, on the basis of an agreement on the provision of the State Guarantee, ensures the performance of work related to the provided State Guarantee and securing the return of funds diverted from the republican budget in the event of fulfillment of obligations under the State Guarantee;

8) state-guaranteed obligation on export support – a sum for a certain date of outstanding obligations under insurance contracts, secured by the State Guarantee of the Republic of Kazakhstan for export support, for which the national company performing the functions for export support has not made insurance payments;

9) a national company, carrying out functions for export support (hereinafter referred to as the Company) – a party to the guarantee contract and state guarantee agreement for export support, receiving the State Guarantee, which bears responsibilities on the return to the republican budget of funds allocated for execution of obligations under the State Guarantee at the expense of reimbursement of insurance payments.

Other concepts used in these Rules shall apply in the sense in which they are used in the relevant branches of the legislation of the Republic of Kazakhstan, unless otherwise provided by the budgetary legislation of the Republic of Kazakhstan and these Rules.

Chapter 2. Procedure for monitoring of the state-guaranteed obligation on export support and financial condition of the national company carrying out the functions of export support, which has a state guarantee for export support

Paragraph 1. Procedure for monitoring of the state-guaranteed obligation on export support

3. This chapter shall determine the procedures for monitoring of the state guaranteed obligation on export support.

4. The object of the monitoring shall be the obligations under the insurance contracts, secured by the State Guarantee.

5. Monitoring of the state-guaranteed obligation on export support consists in tracking the volume of obligations under insurance contracts secured by the State Guarantee on the basis of the provision by the authorized person (agent) of monthly information about the status of the volume of assumed insurance obligations secured by the State Guarantee, according to Appendix 1 to these Rules.

The data of the authorized person (agent) are formed on the basis of this clause and information about the condition of the volume of accepted insurance obligations, according to Appendix 2 to these Rules.

By results of the monitoring the authorized body for budget execution shall provide the information about the condition of the state-guaranteed obligation on export support to the Government of the Republic of Kazakhstan on a quarterly basis by the 30th (thirtieth) day of the month following the reporting quarter.

Paragraph 2. Procedure for the monitoring of the financial condition of the Company, which has the State Guarantee

6. This chapter shall determine the procedures for the monitoring of the financial condition of the Company, which has the State Guarantee.

7. The financial ratios shall be calculated by the authorized person (agent) on the basis of the financial statements of the Company, which has the State Guarantee.

8. The financial condition of the Company is monitored on the basis of the annual audited financial statements.

9. Analysis of the financial condition of the Company includes a quarterly analysis of the financial condition and analysis of the financial condition based on the results of the year. The financial analysis consists of an analysis of the baseline (information about the management of the legal entity, types of activities, industry and regulatory environment) and financial information (analysis of financial statements).

When monitoring, the following financial ratios shall apply:

liquidity ratio – the ratio of cash and short-term receivables to the amount of short-term liabilities;

current ratio – the ratio of current assets to short-term liabilities;

debt to equity ratio – the ratio of current liabilities to equity;

mobilisation ratio – the ratio of liabilities to the amount of current and long-term assets;
return on equity ratio – the ratio of total income before tax to equity.

10. The authorized person (agent) carries out the monitoring of the financial condition of the Company by comparing the financial ratios determined on the basis of the provided indicators and the generally accepted norms of these ratios.

11. The authorized person (agent) submits the results of the analysis to the authorized body for budget execution on a quarterly basis by the 25th (twenty-fifth) day of the second month following the reporting one, as well as on an annual basis by 1 July, the results of monitoring the financial condition of the Company.

12. In the event that the Company's potential insolvency is determined, the authorized body for budget execution shall notify the Government of the Republic of Kazakhstan and shall make a proposal for measures to prevent the diversion of funds of the republican budget provided for the repayment of arrears of insurance payments.

13. If necessary, the authorized body for budget execution requests from the Company additional information on financial indicators.

Paragraph 3. Basic functions, performed by the participants of the process of the monitoring of state-guaranteed obligation on export support and financial condition of the national company, carrying out the functions of export support, which has the State Guarantee

14. The authorized body for budget execution, the authorized person (agent) and the Company are participants in the monitoring process, the state-guaranteed obligation on export support and the financial condition of the national company performing the functions of export support, which has a state guarantee for export support, and carry out the following:

1) The Company shall:

Ensure the submission of necessary documentation and information, requested by the participant of the process of provision of the state guarantee and according to the requirements of these Rules;

on monthly basis, provide the authorized person (agent) with financial statements in standard forms (balance sheet and profit and loss statement) with an accrued total and other necessary documents that determine the financial condition of the Company upon written request of the authorized person (agent);

no later than the 25th (twenty-fifth) day following the reporting one on a quarterly basis, provide the authorized person (agent) with financial statements in standard forms (balance sheet, profit and loss statement, cash flow statement, explanatory note) with an accrual total and other documents determining the financial condition of the Company upon written request of the authorized person (agent);

no later than May 31 (thirty-first) following the reporting period, provide the authorized person (agent) with audited financial statements in standard forms (balance sheet, profit and loss statement, cash flow statement, explanatory note for the financial year);

inform the authorized person (agent) about the facts and reasons of failure to perform its obligations under the insurance contracts, which may lead to execution of the State Guarantee ;

ensure the return of the diverted funds for the execution of the State Guarantee by transferring to a special loan account;

2) The authorized body for budget execution shall:

Carry out the monitoring of the state-guaranteed obligation on export support in accordance with the procedure, determined by these Rules;

3) the authorized person (agent) shall:

monitor the financial condition of the Company, which has the State Guarantee;

monitor the use of funds of the republican budget diversified for the execution of the State Guarantee and their return according to the terms and conditions of the State Guarantee Agreement;

analyze the financial and economic condition of the Company and shall provide information on the results of the relevant analysis to the authorized body for budget execution ;

on the basis of an agreement on the provision of a state guarantee for export support, ensure the performance of other work related to the provision and execution of the State guarantee.

15. Payment to the authorized person (agent) for provision of services stipulated by subclause 3) of clause 14 of these Rules shall be carried out in accordance with the agreement on the provision of a state guarantee for export support by the Company at own expenses based on the authorized person (agent) service payment agreement according to his/her rates, concluded between the Company and the authorized person (agent).

Appendix 1
to the Rules for monitoring of the
state-guaranteed obligation on
export support and financial
condition of the national company
carrying out the functions of
export support, which has a state
guarantee for export support

**Information about the condition of the volume of accepted insurance obligations,
secured by the State Guarantee**

Periodicity: monthly

thousand tenge

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Information about the condition of the volume of accepted insurance obligations

periodicity: monthly

thousand tenge

№	Name	Volume of obligations as of the beginning of the reporting period	Changes in the reporting period		Volume of obligations as of the end of the reporting period (column 6 = column 3 + column 4 – column 5)
			Accepted obligations	Terminated obligations	
1	2	3	4	5	6
1.	Obligations in the national currency				
2.	Obligations in the foreign currency, including:				
	in Russian rubles				
	in US dollars				
	in Euro				
	...				
	TOTAL				

First Head signature surname, name, patronymic (if any)

Chief Accountant signature surname, name, patronymic (if any)

Responsible Officer signature surname, name, patronymic (if any)
Telephone of the national company, carrying out the functions of export support

Notice:

The report is drawn up on a monthly basis, by the 15th (fifteenth) day of the month following the reporting period, separately for each line in thousand tenge, summarizing the total line "Total" for all columns in thousand tenge. The indicators are brought to tenge at market exchange rates determined by the Law of the Republic of Kazakhstan dated March 30, 1995 "On the National Bank", on the last calendar day of the reporting period.