

On approval of the Rules for determining the amount of limit for provision of state guarantees for export support

Invalidated Unofficial translation

Decree of the Government of the Republic of Kazakhstan N 489 dated July 9, 2019. It became invalid by the Decree of the Government of the Republic of Kazakhstan dated June 21, 2023 N 492.

Unofficial translation

Footnote. Became invalid by the Decree of the Government of the Republic of Kazakhstan dated 21.06.2023 No. 492 (comes into effect after ten calendar days after the date of its first official publication).

In accordance with Paragraph 2 of Article 225-2 of the Budget Code of the Republic of Kazakhstan dated December 4, 2008, the Government of the Republic of Kazakhstan hereby **DECREES AS FOLLOWS:**

1. Approve the attached Rules for determining the amount of limit for provision of state guarantees for export support.
2. This Decree shall be enforced from the day of its first official publication.

The Prime Minister of the Republic of Kazakhstan

A. Mamin

Approved by
the Decree of the Government of
the Republic of Kazakhstan
No. 489 dated July 9, 2019

Rules

for determining the amount of the limit for providing a state guarantee for export support

Footnote. Rules as amended by Decree of the Government of the Republic of Kazakhstan dated 08.04.2021 No. 223 (shall be enforced from the date of its first official publication).

Chapter 1. General Provisions

1. These Rules for determination of the amount of the limit of state guarantee for export support (hereinafter referred to as the Rules) have been developed in accordance with paragraph 2 of Article 225-2 of the Budget Code of the Republic of Kazakhstan and shall determine the procedure for provision of the amount of the limit of state guarantee for export support.

Footnote. Paragraph 1 - in the wording of the resolution of the Government of the Republic of Kazakhstan dated 31.03.2022 No. 184 (shall enter into force from the day of its first official publication).

2. The amount of the limit for providing a state guarantee for export support is rounded to the nearest thousand tenge.

3. The following concepts are used in these Rules:

1) the state guarantee of the Republic of Kazakhstan for export support - the obligation of the Government of the Republic of Kazakhstan to the national company that performs the functions of export support, in accordance with the terms of the guarantee agreement, to fully or partially repay its debt on insurance payments ;

2) industry conclusion - the conclusion of the authorized body in the field of regulation of foreign trade activities for compliance with the development priorities of the industry of providing a state guarantee to support exports of the relevant national company that performs export support functions;

3) the authorized body in the field of regulation of foreign trade activities (hereinafter referred to as the authorized body) - the central executive body that manages the development and promotion of exports of non-primary goods and services , as well as, within the limits provided for by the legislation of the Republic of Kazakhstan, intersectoral coordination in the field of regulation of foreign trade activities.

Chapter 2. The procedure for determining the amount of the limit for the provision of state guarantees for export support

4. The amount of the limit for the provision of a state guarantee to support exports for the corresponding year is formed based on:

volumes of expenditures of the republican budget for the planned financial period;
government debt service costs for the planned financial year, presented by the central authorized body for budget execution;

proposals of the authorized body on the provision of a state guarantee to support exports.

5. The authorized body, before April 15 of the year preceding the planned one, submits to the central authorized body for state planning a proposal to provide a state guarantee to support exports.

The proposal of the authorized body is accompanied by its positive industry opinion and the following documents of the national company performing export support functions:

1) copies of constituent documents, as well as documents confirming the status of a national company performing export support functions;

- 2) audited financial statements of the national company performing export support functions for the last three years;
- 3) a development plan for a national company performing export support functions;
- 4) rating report.

Footnote. Paragraph 5 as amended by the resolution of the Government of the Republic of Kazakhstan dated 31.03.2022 No. 184 (shall enter into force from the day of its first official publication).

6. The industry opinion contains an assessment of:

- 1) the possibility and expediency of providing such a measure of state support for non-commodity exports;
- 2) the state of the industry and the problems that affect its development;
- 3) compliance with the goals of providing a state guarantee to support exports to the solution of existing problems in the industry;
- 4) the validity of providing a state guarantee to support the export of a national company that performs export support functions, and the expected effect in the supervised industry and related industries (areas) of the economy (the main participants, the scheme of their interaction, the scheme for using and returning funds diverted to fulfill obligations under state guarantee for export support);
- 5) anticipated risks that may require the fulfillment of obligations under the state guarantee to support exports (insurance, political, financial stability risks) and measures to minimize them;
- 6) compliance of the activities carried out by the national company with the objectives of the documents of the State Planning System of the Republic of Kazakhstan, including the needs for the provision of services in the relevant industry, as well as the expected end result from the provision of a state guarantee for export support, compliance of the provision of a state guarantee for export support with instructions or acts of the President Republic of Kazakhstan, Government of the Republic of Kazakhstan;
- 7) reasonableness of the size and duration of the state guarantee for export support;
- 8) distribution of benefits from the application of the state guarantee for export support;
- 9) the expected multiplier effect from the application of the state guarantee to support exports to related sectors (areas) of the economy.

The industry conclusion is signed by the first head of the authorized body or a person replacing him, and is drawn up in accordance with the procedure established by the legislation of the Republic of Kazakhstan for official documents.

7. The central authorized body for budget execution, before May 1 of the year preceding the planned one, submits to the central authorized body for state planning information on the costs of servicing the government debt, the costs associated with the

fulfillment of obligations under state guarantees and guarantees of the state, for the planned financial year.

8. The central authorized body for state planning establishes the amount for determining the limit for providing a state guarantee for export support for the corresponding financial year, subject to the following formula, and submits an appropriate proposal for consideration by the Republican Budget Commission on the amount of the limit for providing a state guarantee for export support for the corresponding financial year :

$B2 < (ExGB * 0.15) - B1$, where:

B2 - the amount of costs associated with the fulfillment of obligations under state guarantees and guarantees of the state for the planned financial year;

ExGB - the volume of expenditures of the republican budget for the planned financial year;

B1 is the amount of government debt servicing costs for the planned financial year.

9. Clarification of the amount of the limit for the provision of a state guarantee to support exports is carried out in the event of a change in budget parameters, when clarifying the republican budget for the current financial year in the manner established by the legislation of the Republic of Kazakhstan.

At the same time, the information provided for in paragraph 7 of these Rules shall be submitted within 5 (five) working days from the date of the decision of the Republican Budget Commission to clarify the republican budget for the current financial year.