



**On approval of the Rules for investing the assets and the List of financial instruments permitted for acquisition at the cost of own assets of “Insurance Payments Guarantee Fund” Joint Stock Company, insurance guarantee reserve funds and reserve funds of insurance indemnity, and the Rules for charging commission by “Insurance Payments Guarantee Fund” Joint Stock Company**

*Unofficial translation*

Resolution of the Board of the National Bank of the Republic of Kazakhstan dated August 27, 2018 № 199. Registered with the Ministry of Justice of the Republic of Kazakhstan on September 20, 2018 № 17396.

*Unofficial translation*

**Footnote. The heading as amended by the Resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated 23.11.2022 No. 100 (shall be enforced from 01.01.2023).**

In order to improve the regulatory legal acts of the Republic of Kazakhstan, the Board of the National Bank of the Republic of Kazakhstan **HEREBY RESOLVES:**

1. To approve:

1) The Rules for investing own assets “Insurance Payments Guarantee Fund” Joint Stock Company, insurance guarantee reserve funds and reserve funds of insurance indemnity according to Annex 1 to this resolution;

2) List of financial instruments permitted for acquisition at the cost of own assets of “Insurance Payments Guarantee Fund” Joint Stock Company, insurance guarantee reserve funds and reserve funds of insurance indemnity according to Annex 2 to this resolution;

3) Rules for charging commission by “Insurance Payments Guarantee Fund” Joint Stock Company according to Annex 3 to this resolution.

**Footnote. Пункт 1 as amended by the Resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated 23.11.2022 No. 100 (shall be enforced from 01.01.2023).**

2. In accordance with the procedure established by the legislation of the Republic of Kazakhstan, the Department of Regulation of Non-Bank Financial Institutions (A. M. Kosherbayeva) shall:

1) jointly with the Legal Department (N.V. Sarsenova) ensure the state registration of this resolution with the Ministry of Justice of the Republic of Kazakhstan;

2) within ten calendar days from the date of state registration of this resolution, send a copy hereof on paper and electronic form in the Kazakh and Russian languages to Republican State Enterprise on the Right of Economic Management "Republican Center of Legal

Information" for official publication and inclusion into the Reference Control Bank of Regulatory Legal Acts of the Republic of Kazakhstan;

3) place this resolution on the official Internet resource of the National Bank of the Republic of Kazakhstan after its official publication;

4) within ten working days after the state registration of this resolution, submit the information on implementation of measures provided for in subparagraphs 2), 3) of this paragraph and paragraph 3 of this resolution to the Legal Information Department.

3. The Directorate for Protection of the Rights of Consumers of Financial Services and External Communications (A.L. Terentyev) shall send the copy of this resolution for the official publication in periodicals within ten calendar days after the state registration.

4. Control over execution of this resolution shall be entrusted to Deputy Chairman of the National Bank of the Republic of Kazakhstan Zh. B. Kurmanov.

5. This resolution shall go into effect ten calendar days after its first official publication.

*Chairman of the National Bank*

*D. Akishev*

Annex 1 to the Resolution  
of the Board of the National Bank  
of the Republic of Kazakhstan  
dated August 27, 2018 No. 199

## **Rules**

**for investing the assets and the List of financial instruments permitted for acquisition at the cost of own assets of “Insurance Payments Guarantee Fund” Joint Stock Company, insurance guarantee reserve funds and reserve funds of insurance indemnity**

**Footnote. Annex 1 as amended by the Resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated 23.11.2022 No. 100 (shall be enforced from 01.01.2023).**

These Rules for investing the assets and the List of financial instruments permitted for acquisition at the cost of own assets of “Insurance Payments Guarantee Fund” Joint Stock Company, insurance guarantee reserve funds and reserve funds of insurance indemnity ( hereinafter referred to as the Rules) have been developed in accordance with the Law of the Republic of Kazakhstan "On the Insurance Payments Guarantee Fund " (hereinafter referred to as the Law on the Fund) and shall determine the procedure for investing the own assets of “ Insurance Payments Guarantee Fund” Joint Stock Company (hereinafter referred to as the Fund), insurance guarantee reserve funds and reserve funds of insurance indemnity.

## **Chapter 1. General provisions**

1. The main goals of investing the Fund's own assets, insurance guarantee reserve funds and reserve funds of insurance indemnity (hereinafter referred to as the reserve funds) shall be :

- 1) safety of the Fund's own assets and reserves and their multiplication;
- 2) maintaining a sufficient level of liquidity of the Fund's own assets and reserves;
- 3) ensuring the profitability of the Fund's own assets and reserves.

2. Investing the Fund's own assets and reserves shall be implemented within the framework of one or more investment strategies.

3. The investment strategy (investment strategies), within the framework of which (which) the Fund's own assets and reserves are invested, is developed (developed) by the Fund's Management Board and approved (approved) by the Fund's Board of Directors.

4. or more investment committees shall be created in the Fund.

5. Investing the Fund's own assets and reserves shall be carried out within one or more investment portfolios by decision of the Board of Directors of the Fund.

6. The Fund shall make decisions on investing the Fund's own assets and reserve funds on its own or transfers the Fund's own assets and reserve funds to the management of an organization that has a license to carry out investment portfolio management activities (hereinafter referred to as the investment portfolio manager).

7. The decision to select an investment portfolio manager shall be made by the Board of Directors of the Fund.

8. The investment portfolio manager shall carry out investment management of the Fund's own assets and reserves on the basis of the investment strategy (investment strategies) approved by the Board of Directors of the Fund.

## **Chapter 2. Procedure for investing the Fund's own assets and reserve funds**

9. In case of independent making decision to invest the Fund's own assets and the reserve funds, the Fund shall develop internal documents, which regulate:

1) the procedure for the formation and work of the investment committee, its main tasks and competence;

2) the procedure for making investment decisions in relation to the Fund's own assets and reserves;

3) the procedure for internal control over the results of investment activities.

The internal documents of the Fund, specified in this paragraph of the Rules, shall be developed by the Board of the Fund and approved by the Board of Directors of the Fund.

10. The investment committee(s) shall make investment decisions regarding the Fund's own assets and reserve funds based on recommendations developed by the risk management unit (risk manager) of the Fund.

11. The Investment Committee (investment committees), in addition to the functions determined by the law on the Fund, shall perform the following functions:

1) monitoring of risk indicators inherent in the investment portfolio (investment portfolios), the frequency of which is established by the Board of Directors depending on the significance of the risk, but at least twice a year;

- 2) regular stress testing and risk analysis;
- 3) selection and application of risk management methods;
- 4) development of proposals for setting limits on the allowable number of risks;
- 5) development of risk management plans;
- 6) submission for consideration by the Board of Directors of the Fund of proposals for improving the risk management system, making changes to the investment strategy (investment strategies) of the Fund.

12. The recommendation of the risk management unit (risk manager) of the Fund shall contain:

- 1) date of issue and number of the recommendation;
- 2) list (description) of sources of information used to issue a recommendation;
- 3) the results of the analysis of the information used to issue the recommendation;
- 4) proposed investment decision options;
- 5) signatures of the persons who issued the recommendation.

13. Investment decision contains:

- 1) date of adoption and number of the investment decision;
- 2) the date of issue and the number of the recommendation on the basis of which the investment decision was made;
- 3) the type of transaction to be made;
- 4) identifier of the financial instrument on which the transaction is to be made;
- 5) volume, price and amount (range of volume, price and amount) of the transaction to be made;
- 6) the terms of the transaction;
- 7) an indication of the type of market (primary or secondary) on which the transaction is supposed to be completed;
- 8) the name of the broker through which the transaction is supposed to be completed (if any);
- 9) the name of the investment portfolio, at the expense of the Fund's own assets and the funds of the reserves of which the transaction is supposed to be completed;
- 10) signatures of the persons who made the investment decision;
- 11) dissenting opinion of the person who participated in making the investment decision (if any).

Procedures for making investment decisions in the Fund, not regulated by the Law on the Fund and the Rules, shall be determined by the internal rules of the Fund.

14. In order to control the investment decisions made and transactions made in pursuance of these investment decisions, the Fund shall maintain registers of accounting and registration of investment decisions made, executed and non-executed transactions, as well as other logs provided for by the Fund's internal documents.

15. The Fund, at least once a month, as of the first day of each month, shall reconcile the data of its accounting system for their compliance with the data of the investment portfolio manager (if any) and the custodian responsible for accounting and storage of reserve funds.

16. The results of the reconciliation specified in paragraph 15 of the Rules shall be documented in a reconciliation act (reconciliation acts).

17. The Fund's transactions with securities in the secondary market shall be made by the Fund in the organized securities market, except for the sale of delisted securities by the stock exchange.

18. Transactions of purchase and sale of securities, made on the organized securities market with the participation of the Fund's own assets and reserves, shall be concluded by the open trade method.

19. Reverse repo transactions at the expense of the Fund's own assets and funds of reserves shall be made in the trading system of the stock exchange automatically with the participation of a central counterparty and shall be concluded for a period not exceeding 30 (thirty) calendar days.

20. If, as a result of any circumstances, the structure of the investment portfolio (investment portfolios) of the Fund ceases to comply with the requirements established by the Rules, the Fund shall immediately stop the placement of assets that aggravate such a discrepancy and, within 1 (one) working day, shall notify the authorized body for regulation, control and supervision of the financial market and financial organizations (hereinafter referred to as the authorized body) on the fact and causes of this discrepancy, as well as within 5 (five) working days, shall provide an action plan to eliminate it, if approved by the authorized body, takes measures to eliminate the violation within the time limits defined in the action plan.

Annex 2 to the  
Resolution of the Board  
of the National Bank of the  
Republic of Kazakhstan  
dated August 27, 2018 No. 199

**List of financial instruments permitted for acquisition at the cost of own assets of  
“Insurance Payments Guarantee Fund” Joint Stock Company, insurance guarantee reserve  
funds and reserve funds of insurance indemnity**

**Footnote. Annex 2 as amended by the Resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated 23.11.2022 No. 100 (shall be enforced from 01.01.2023).**

1. This List of financial instruments permitted for acquisition at the cost of own assets of “Insurance Payments Guarantee Fund” Joint Stock Company, insurance guarantee reserve funds and reserve funds of insurance indemnity (hereinafter referred to as the List) has been developed in accordance with the Law of the Republic of Kazakhstan "On Insurance

Payments Guarantee Fund" (hereinafter referred to as the Law on the Fund) and shall determine the list of financial instruments permitted for acquisition at the cost of own assets of "Insurance Payments Guarantee Fund" Joint Stock Company (hereinafter referred to as the Fund), insurance guarantee reserve funds and reserve funds of insurance indemnity (hereinafter referred to as the reserve funds).

2. The Fund shall carry out the placement of the Fund's own assets, reserve funds to the following financial instruments:

1) deposits, current accounts with the National Bank of the Republic of Kazakhstan;

2) deposits, current accounts in second-tier banks of the Republic of Kazakhstan that meet one of the following requirements:

have a long-term credit rating of at least "BB-" on the international scale of Standard & Poor's (Standard and Poor's) or a rating of a similar level by one of the other rating agencies, or a rating of at least "kzA-" on the national scale of Standard & Poor's (Standard and Poor's), or an equivalent national scale rating from one of the other rating agencies;

are subsidiary banks-residents of the Republic of Kazakhstan, parent banks-non-residents of the Republic of Kazakhstan, which have a long-term credit rating in foreign currency not lower than "A-" on the international scale of Standard & Poor's (Standard and Poor's) or a rating of a similar level from one of the other rating agencies;

3) debt securities of legal entities of the Republic of Kazakhstan, issued in accordance with the legislation of the Republic of Kazakhstan and other states, having (the issuer of which has) a rating not lower than "BB-" on the international scale of the agency Standard & Poor's (Standard & Poor's), or a rating a similar level of one of the other rating agencies, or a rating of at least "kzA-" on the national scale of Standard & Poor's (Standard and Poor's), or a rating of a similar level on the national scale of one of the other rating agencies;

4) government securities of the Republic of Kazakhstan (including those issued in accordance with the legislation of other states) issued by the Ministry of Finance of the Republic of Kazakhstan and the National Bank of the Republic of Kazakhstan, debt securities issued by a legal entity that buys out mortgage loans of individuals not related to entrepreneurial activity, one hundred percent whose shares are owned by the National Bank of the Republic of Kazakhstan, as well as debt securities for which there is a state guarantee of the Government of the Republic of Kazakhstan;

5) debt securities that have the status of government, issued by the central governments of foreign states, with a sovereign rating of at least "BBB-" on the international scale of the agency Standard & Poor's (Standard and Poor's) or a rating of a similar level from one of the other rating agencies;

6) debt securities issued by local executive bodies of the Republic of Kazakhstan, included in the official list of a stock exchange operating in the territory of the Republic of Kazakhstan;

7) non-government debt securities issued by international financial organizations with a rating of at least "AA-" from Standard & Poor's (Standard and Poor's) or a rating of a similar level from one of the other rating agencies, as well as debt securities issued by the Eurasian Development Bank;

8) refined precious metals and metal accounts.

3. The total placement of the Fund's own assets in financial instruments (taking in account reverse repo transactions) specified in subparagraphs 1), 2), 4) and 6) of paragraph 2 of the List shall be at least eighty percent of the investment portfolio formed at the expense of the Fund's own assets.

The total placement of reserve funds in financial instruments (taking in account reverse repo transactions) specified in subparagraphs 1), 2), 4) and 6) of paragraph 2 of the List shall be at least 80 (eighty) percent of the reserve funds.

4. The total placement of the Fund's own assets in financial instruments (by book value) shall not exceed the following values:

1) in deposits, money and securities (including reverse repo transactions) in one second-tier bank (with the exception of an agent bank that carries out certain types of banking operations and provides services for making guarantee payments to creditors on the basis of an agency agreement with the Fund) and its affiliates - no more than 20 (twenty percent) of the investment portfolio formed from the Fund's own assets, but no more than 25 (twenty-five) percent of the bank's own capital;

2) in debt securities of legal entities of the Republic of Kazakhstan (except for second-tier banks of the Republic of Kazakhstan) and affiliates of this legal entity - no more than 10 (ten) percent of the investment portfolio formed from the Fund's own assets, but no more than 25 (twenty-five) percent of the equity capital of this issuer;

3) in securities (taking in account reverse repo transactions) having the status of government securities issued by the central governments of foreign states - no more than 10 (ten) percent of the investment portfolio formed at the expense of the Fund's own assets;

4) reverse repo transactions made with the participation of the Fund's own assets - no more than 10 (ten) percent of the investment portfolio formed from the Fund's own assets;

5) in debt securities shall not exceed 25 (twenty-five) percent of the total volume of debt securities of one issue;

6) in non-government debt securities issued by international financial organizations - no more than 10 (ten) percent of the investment portfolio formed at the expense of the Fund's own assets, but no more than 25 (twenty-five) percent of the equity capital of this issuer;

7) in refined precious metals and metal accounts - no more than 10 (ten) percent of the investment portfolio formed at the expense of the Fund's own assets.

The requirements for the total placement of the Fund's own assets, established by this paragraph, shall not apply to the securities specified in subparagraph 4) of paragraph 2 of the List.

5. The total placement of reserves in financial instruments (at book value) shall not exceed the following values:

1) in deposits, money and securities (including reverse repo transactions) in one second-tier bank (with the exception of an agent bank that carries out certain types of banking operations and provides services for making guarantee payments to creditors on the basis of an agency agreement with the Fund), and affiliated persons of this bank - no more than 20 (twenty) percent of the reserves;

2) in debt securities (including reverse repo transactions) of legal entities of the Republic of Kazakhstan (except for second-tier banks of the Republic of Kazakhstan) and affiliates of this legal entity - no more than 20 (twenty) percent of the reserves;

3) in securities (taking in account reverse repo transactions) having the status of government securities issued by the central governments of foreign states - no more than 10 (ten) percent of the reserves;

4) reverse repo transactions made with the participation of funds of reserves - no more than 10 (ten) percent of the funds of reserves;

5) into debt securities - no more than 25 (twenty-five) percent of the total volume of debt securities of one issue;

6) in non-government debt securities issued by international financial organizations - no more than 10 (ten) percent of the reserves, but no more than 25 (twenty-five) percent of the issuer's own capital;

7) to refined precious metals and metal accounts - no more than 10 (ten) percent of the reserves.

The requirements for the total placement of reserve funds established by this paragraph shall not apply to the securities specified in subparagraph 4) of paragraph 2 of the List.

6. In addition to the ratings of the Standard & Poor's agency (Standard and Poor's), the authorized body exercising state regulation, control and supervision of the financial market and financial organizations shall also recognize the ratings of Moody's Investors Service (Moody's Investors Service) and Fitch (Feech), and as well as their subsidiaries.

7. Additional investment limits, not regulated by the List, shall be established by the investment strategy (investment strategies) of the Fund.

Annex 3 to the Resolution  
of the Board of the National Bank  
of the Republic of Kazakhstan  
dated August 27, 2018 No. 199

**Rules for charging commission by  
“Insurance Payments Guarantee Fund”  
Joint Stock Company**



Footnote. The Resolution was added with Annex 3 in accordance with the Resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated 23.11.2022 No. 100 (shall be enforced from 01.01.2023).

1. These Rules for charging commission by “Insurance Payments Guarantee Fund” Joint Stock Company (hereinafter referred to as the Rules) have been developed in accordance with the Law of the Republic of Kazakhstan "On the Insurance Payments Guarantee Fund " ( hereinafter referred to as the Law on the Fund) and shall determine the procedure for charging commission by “Insurance Payments Guarantee Fund” Joint Stock Company (hereinafter referred to as the Fund) from the total investment income from investing the funds of the reserves for guaranteeing insurance payments and the reserve for compensation for harm ( hereinafter referred to as the reserve funds) and the total contributions made by insurance organizations.

2. Charging the commission shall be carried out by the Fund at the rates established by the Board of Directors of the Fund until the end of the financial year, following the results of which a commission is charged and not exceeding the amount established by paragraph 2 of Article 8-1 of the Law.

3. The amount of the commission for investment activities in relation to the funds of the reserves shall be determined by multiplying the commission rate approved by the Board of Directors of the Fund by the amount of the total investment income received from investing the funds of the reserves at the end of the financial year according to the annual financial statements approved by the general meetings of shareholders of the Fund.

4. Commission fee for investment activities in respect of the funds of reserves shall not be charged by the Fund in case of negative total investment income at the end of the financial year.

5. The amount of commission for contributions shall be determined based on the results of the financial year according to the annual financial statements approved by the general meeting of shareholders of the Fund, by multiplying the commission rate approved by the Board of Directors of the Fund by the amount of total contributions made by insurance organizations to the Fund in the financial year.

6. The Fund shall collect a commission by transferring funds from bank accounts opened for accounting of reserve funds to a bank account opened for the Fund's own assets.