

**On approval of the Rules and deadlines for submitting an action plan for improving the financial position and for its approval by the authorized body, and also for requirements for its content**

***Unofficial translation***

Resolution of the Board of the National Bank of the Republic of Kazakhstan of October 29, 2018 No. 250. Registered in the Ministry of Justice of the Republic of Kazakhstan on December 7, 2018 No. 17883.

      Unofficial translation

      In accordance with the Law of the Republic of Kazakhstan “On Banks and Banking Activity in the Republic of Kazakhstan” as of August 31, 1995, the Board of the National Bank of the Republic of Kazakhstan hereby **RESOLVES:**

      1. To approve the appended Rules and deadlines for submitting an action plan for improving the financial position and for its approval by the authorized body, and also for requirements for its content.

      2. In accordance with the procedure established by the legislation of the Republic of Kazakhstan, the Department of Bank Supervision (O.T. Kizatov) shall:

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

      2) within ten calendar days of the state registration of this resolution, send it in Kazakh and Russian to the Republican State Enterprise with the Right of Economic Management “Republican Center of Legal Information” for its 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 website of the National Bank of the Republic of Kazakhstan after its official publication;

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

      3. Within ten calendar days of the state registration of this resolution, the Directorate of Protection of the Rights of Consumers of Financial Services and External Communications (A.L. Terentyev) shall send its copy to print periodicals for official publication.

      4. Control over execution of this resolution shall be entrusted to the Deputy Chairman of the National Bank of the Republic of Kazakhstan, O.A. Smolyakov.

      5. This resolution shall take effect on January 1, 2019 and be subject to official publication.

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| *Chairman of the National Bank* | *D.Akishev* |

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|  | Approved by Resolution № 250 of the Board of the National Bank of the Republic of Kazakhstan as of October 29, 2018 |

**Rules and deadlines for submitting an action plan for improving the financial position and for**  
**its approval by the authorized body, and also for requirements for its content**  
**Chapter 1. General provisions**

      1. These Rules and deadlines for submitting an action plan to improve the financial condition and its approval by the authorized body, as well as the requirements for its content have been developed in accordance with the Law of the Republic of Kazakhstan dated August 31, 1995 "On Banks and Banking Activities in the Republic of Kazakhstan" (hereinafter – the Law on Banks) and shall establish the procedure and deadlines for submitting an action plan to improve the financial condition of a bank, a branch of a non-resident bank classified as a bank, branches of non-resident banks of the Republic of Kazakhstan with an unstable financial condition that poses a threat to the interests of its depositors and creditors and (or) a threat to the stability of the financial system (hereinafter - the bank), and its approval by the authorized body for regulation, control and supervision of the financial market and financial organizations (hereinafter - the authorized body), as well as the requirements for its content.

      Footnote. Paragraph 1 is in the wording of the Resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated 17.02.2021 No. 34 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

      2. The bank shall submit an action plan for improving its financial position to the authorized body (hereinafter referred to as the action plan) pursuant to the decision of the latter to classify it as a bank with precarious financial position that threatens the interests of its depositors and creditors and (or) the stability of the financial system (hereinafter referred to as the decision of the authorized body).

**Chapter 2. The procedure and deadlines for submitting the action plan and**   
**its approval by the authorized body**

      3. The bank, within 10 (ten) working days of its receipt of the decision of the authorized body, shall submit an action plan for the approval of the authorized body.

      4. The action plan shall contain the following information:

      1) actions to improve the bank’s financial position, indicating quantitative and qualitative parameters that are planned to be achieved at the end of each reporting period of the action plan;

      2) the procedure and deadlines for implementation of measures provided for in the action plan (indicating deadlines for performance and deadlines for submitting interim performance reports on each item of the action plan);

      3) the last and first names, patronymics (if any) of officials responsible for implementation of each item of the action plan;

      4) financial results expected from the actions taken to improve the bank’s financial position;

      5) restrictions imposed on the bank’s activity, including those provided for in paragraph 3 of Article 61-6 of the Law on Banks;

      6) other information at the request of the authorized body.

      5. Depending on the signs of precarious financial position, measures to improve the bank’s financial position include a set of actions that contribute to improving the efficiency of bank management, reducing credit risk and bank expenses, attracting funds, minimizing funds’ outflow, as well as other actions that improve the financial position of the bank.

      The requirement for taking measures to improve the financial condition of a bank, to minimize risks by bringing its activities in compliance with the legislation of the Republic of Kazakhstan and the requirements of the authorized body shall apply to the bank, its major participants, the bank holding, a non-resident bank of the Republic of Kazakhstan.

      Footnote. Paragraph 5 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 17.02.2021 No. 34 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

      6. The authorized body shall consider the action plan submitted by the bank and send the results of its consideration to the bank within 10 (ten) working days of the action plan’s receipt by the authorized body.

      The authorized body shall approve or disapprove the action plan submitted by the bank in writing.

      In case of the action plan’s disapproval by the authorized body, the authorized body and the bank shall hold joint discussions with a view to finalizing the action plan. The bank either finalizes the action plan to address the comments of the authorized body or, in case of disagreement with such comments, provides its substantiation.

      In this case, the deadline for the action plan’s approval by the authorized body shall not exceed 30 (thirty) working days of the decision of the authorized body.

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