



On approval of the Rules for forced repurchase of shares of the bank and their mandatory subsequent sale to investors

Unofficial translation

Decree of the Managing Board of the National Bank of the Republic of Kazakhstan dated May 2, 2019 no. 70. Registered with the Ministry of Justice of the Republic of Kazakhstan on May 14, 2019 no. 18669.

Unofficial translation

In accordance with the Law of the Republic of Kazakhstan dated August 31, 1995 "On Banks and Banking Activities in the Republic of Kazakhstan" the Managing Board of the National Bank of the Republic of Kazakhstan HEREBY ORDERS:

1. To approve the attached Rules for forced repurchase of shares of the bank and their mandatory subsequent sale to investors.

2. To declare to be no longer in force regulatory legal acts of the Republic of Kazakhstan, as well as structural elements of certain regulatory legal acts of the Republic of Kazakhstan under the list according to the Annex to this decree.

3. The Bank Supervision Department (Kizatov O.T.) in accordance with the procedure, established by the legislation of the Republic of Kazakhstan shall ensure:

1) Jointly with the Legal Department (Sarsenova N.V.), state registration of this decree with the Ministry of Justice of the Republic of Kazakhstan;

2) within ten calendar days from the date of registration of this decree, direction of it in Kazakh and Russian languages to the Republican State Enterprise on the Right of Economic Management "Institute of Legislation and Legal Information of the Republic of Kazakhstan" for official publication and placement in the Reference Control Bank of Regulatory Legal Acts of the Republic of Kazakhstan;

3) posting this order 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 decree, submission to the Legal Department of information about implementation of measures stipulated by sub-clauses 2), 3) of this clause and clause 4 of this decree.

4. Department of financial services and external communications consumer rights protection (Terentyev A.L.) within ten calendar days after state registration of this decree shall ensure sending its copy to official publication to printed periodicals.

5. Control over execution of this decree shall be entrusted to the deputy Chairman of the National Bank of the Republic of Kazakhstan Smolyakov O.A.

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

*Chairman
of the National Bank*

Ye. Dossayev

Approved by the decree of
the Managing Board of the
National Bank
of the Republic of Kazakhstan
dated May 2, 2019 no. 70

Rules for forced repurchase of shares of the bank and their mandatory subsequent sale to investors

Chapter 1. General provisions

1. These Rules for forced repurchase of shares of the bank and their mandatory subsequent sale to investors (hereinafter referred to as the Rules) 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" and shall determine the procedure for forced repurchase of shares of the bank and their mandatory subsequent sale to investors (hereinafter referred to as the investor) by the National Bank of the Republic of Kazakhstan (hereinafter referred to as the authorized body).

2. The authorized body shall apply the procedure of forced repurchase of shares of the bank in order to ensure the transfer of ownership right of the shares of the bank to the investor and shall not be the end purchaser (holder) of the repurchased shares.

Chapter 2. Grounds and conditions for forced repurchase of shares of the bank and their mandatory subsequent sale to the investor

3. The grounds for the forced repurchase of shares of the bank shall be establishment of the bank's negative amount of own capital.

Own capital of the bank shall be negative in case if the amount of bank's liabilities exceeds the cost of its assets.

4. Sale of repurchased shares of the bank shall be made by the authorized body at the price of their purchase subject to conditions guaranteeing the increase of the bank's own capital (hereinafter referred to as the recapitalization) and its normal operation subject to liabilities taken by the investor.

5. the authorized body shall publish information about the search of investor, who intends to purchase the shares of the bank in printed periodicals, distributed throughout the territory of the Republic of Kazakhstan, in Kazakh and Russian languages, and on the official Internet resource of the authorized body.

6. The investor shall be issued the following requirements:

1) compliance with the requirements imposed by the banking legislation of the Republic of Kazakhstan for the bank's shareholder;

2) incurrance of a written liability to maintain confidentiality and keeping the commercial secret.

7. Decision on subsequent sale of repurchased shares to the investor shall be made by the authorized body in case of meeting the requirements stipulated by clauses 6, 9 and 12 of the Rules.

Chapter 3. Procedure for conducting forced repurchase of shares of the bank and their mandatory subsequent sale to the investor

8. A person, meeting the requirements of clause 6 of the Rules, shall apply to the authorized body with a declaration of intention to purchase shares of the bank (hereinafter referred to as the applicant).

In cases when 2 (two) or more persons apply with one declaration of intention to purchase shares of the bank, the mentioned persons in addition to the declaration shall provide an agreement concluded between them, determining the quantity of purchased by each of them shares of the bank and the amount of money that is subject to be contributed as payment for the repurchased shares.

The first head of the executive body or a managing body of the investor shall apply on behalf of the investor - legal entity to the authorized body.

9. In addition to the declaration, the applicant shall attach an action plan on recapitalization of the bank, which includes:

1) detailed description of the a description of measures for financial recovery of a financial organization (measures to reduce costs, additional financial investments (indicating the amount and sources of money invested) aimed at restoring the bank's equity to the level at which prudential standards and other mandatory norms and limits are met, measures to generate additional income and other activities);

2) calendar terms for implementation of measures on financial recovery of the bank;

3) estimated economic effect of recreational activities (dynamics of changes in prudential standards, changes in the size of the bank's own capital, changes in financial and other indicators of the bank).

10. In case of a positive decision on the forced repurchase of shares for the purposes of their subsequent sale, the authorized body shall send to the investor a written notice about the start of joint consideration of conditions of the upcoming transaction with the expected terms of its conclusion.

In cases when 2 (two) or more persons jointly apply with a declaration of intention to purchase shares of the bank, then the authorized body shall send a written notice, specified in part one of this clause to each of them.

11. In case of acceptance of the investor's proposals, the authorized body shall notify thereof the investor in writing. A draft purchase and sale agreement for the repurchased shares of the bank, concluded between the authorized body and the investor with inclusion therein conditions for the sale of shares of the bank and performance security, shall be made within 10 (ten) working days from the date of a notice by the authorized body of the investor.

12. The investor shall deposit to the appropriate account in the National Bank of the Republic of Kazakhstan (hereinafter referred to as the account), the purchase price of shares, as well as the amount required for recapitalization of the bank within 7 (seven) working days from the date of receipt by the investor of a written notice about opening of the mentioned account by the authorized body.

13. After the investor has deposited money into the account specified in clause 12 of the Rules, the draft purchase and sale agreement for the repurchased shares of the bank within 30 (thirty) calendar days shall be submitted for consideration by the Managing Board of the authorized body. The purchase and sale agreement for the repurchased shares of the bank shall enter into force on the date of making by the authorized body of a decision on the subsequent sale of such shares of the bank to the investor.

In case of making by the Managing Board of the authorized body a negative decision on the forced repurchase of shares of the bank for the purposes of their subsequent sale to the investor, the authorized body, within 5 (five) working days from the date of making this decision shall ensure return of money to the investor, deposited by him according to clause 12 of the Rules.

14. Execution of the forced repurchase of shares of the bank and their subsequent sale to the investor shall be carried out by making by the authorized body of decision on the forced repurchase of shares of the bank and the decision on the sale of shares of the bank to the investor.

15. Decision of the authorized body on the forced repurchase of shares of the bank and the decision on the sale of shares of the bank to the investor shall be the grounds for debiting bank shares from personal accounts of previous owners of bank shares and crediting them to the personal account of an authorized body opened in the central depository accounting system.

16. Registration of transaction of the purchase and sales of the repurchased shares of the bank shall be made based on the counter orders of the authorized body and the investor in accordance with the legislation of the Republic of Kazakhstan on securities market.

17. Payment of the cost of shares to the previous owners of shares, in the amount proportional to their portion in the total volume of shares of the bank shall be made on the basis of the order of the authorized body from the account within 10 (ten) working days after the purchase and sales agreement for repurchased shares of the bank enters into force.

18. The costs associated with the implementation of measures for the forced repurchase of bank shares and their subsequent sale to an investor shall be borne by the investor.

19. The authorized body, within 5 (five) working days from the date of the decision on the forced repurchase of bank shares and the subsequent sale of the repurchased shares to the investor, shall publish a message in printed periodicals distributed throughout the territory of the Republic of Kazakhstan, in Kazakh and Russian languages, and on the official website of the authorized body.

20. The decision on the forced repurchase of bank shares and the subsequent sale of the repurchased shares shall be communicated by the authorized body to the bank within 2 (two) working days from the date of its adoption. The head of the executive body of the bank or the person replacing him, shall be familiarized with the specified decision against signature and shall inform the members of the executive body.

21. The amount of money contributed by the investor for recapitalization of the bank shall be subject to transfer to the bank's correspondent account on the basis of an order from the authorized body within 10 (ten) working days after receiving an application drawn up in any form from the head of the executive body of the bank or his deputy.

Annex
to the decree of the Managing
Board of the National Bank
of the Republic of Kazakhstan
dated May 2, 2019 no. 70

List of regulatory legal acts of the Republic of Kazakhstan, as well as structural elements of certain regulatory legal acts of the Republic of Kazakhstan, recognized to be no longer in force

1. Decree of the Managing Board of the Agency of the Republic of Kazakhstan on regulation and supervision of the financial market and financial organizations dated March 26, 2005 no. 113 "On approval of the Rules for forced repurchase of shares of the bank and their mandatory sale to investors" (registered with the Register of State Registration of Regulatory Legal Acts under no. 3576, published on September 16, 2005 in "The Yuridicheskaya Gazeta" no. 170-171).

2. Clause 10 of the List of amendments and additions which are made to certain regulatory legal acts of the Republic of Kazakhstan on the issues of identification numbers, approved by the Decree of the Managing Board of the Agency of the Republic of Kazakhstan on regulation and supervision of the financial market and financial organizations dated May 28, 2007 no. 155 "On amendments and additions to certain regulatory legal acts of the Republic of Kazakhstan on the issues of identification numbers" (registered with the Register of State Registration of Regulatory Legal Acts under no. 4803, published in May-July 2007 in the Collection of the acts of central executive and other central state bodies of the Republic of Kazakhstan).

3. Decree of the Managing Board of the Agency of the Republic of Kazakhstan on regulation and supervision of the financial market and financial organizations dated November 28, 2008 no. 202 "On amendments and additions to the Decree of the Managing Board of the Agency of the Republic of Kazakhstan on regulation and supervision of the financial market and financial organizations dated March 26, 2005 no. 113 "On approval of the Rules for forced repurchase of shares of the bank and their mandatory sale to investors" (registered with the Register of State Registration of Regulatory Legal Acts under no. 5484, published in 2009 in the Collection of the acts of central executive and other central state bodies of the Republic of Kazakhstan of the Republic of Kazakhstan no. 4).

4. Clause 6 of the List of amendments and additions which are made to certain regulatory legal acts of the Republic of Kazakhstan on the issues of identification numbers, approved by the Decree of the Managing Board of the Agency of the Republic of Kazakhstan on regulation and supervision of the financial market and financial organizations dated March 29, 2010 no. 50 "On amendments and additions to certain regulatory legal acts of the Republic of Kazakhstan on the issues of identification numbers" (registered with the Register of State Registration of Regulatory Legal Acts under no. 6219, published on August 26, 2010 in the Collection of the acts of central executive and other central state bodies of the Republic of Kazakhstan of the Republic of Kazakhstan no. 14).

5. Clause 7 of the List of Regulatory Legal Acts of the Republic of Kazakhstan, to which amendments are made, approved by the Decree of the Managing Board of the National Bank of the Republic of Kazakhstan dated April 26, 2013 no. 110 "On amendments to certain regulatory legal acts of the Republic of Kazakhstan" (registered with the Register of State Registration of Regulatory Legal Acts under no. 8505, published on August 6, 2013 in "The Yuridicheskaya Gazeta" no.115 (2490)