



On Approval of the Rules for subsidizing the coupon interest rate on bonds issued by the issuer for further issuance of housing mortgage loans for the purpose of improving housing conditions in accordance with the legislation of the Republic of Kazakhstan

Unofficial translation

Order of the Minister of Industry and Construction of the Republic of Kazakhstan dated May 24, 2024 № 190. Registered with the Ministry of Justice of the Republic of Kazakhstan dated May 27, 2024 № 34409

Unofficial translation

In accordance with subparagraph 420-1) of paragraph 15 of the Regulations of the Ministry of Industry and Construction of the Republic of Kazakhstan, approved by the Resolution of the Government of the Republic of Kazakhstan dated October 4, 2023 № 864 "Some issues of the Ministry of Industry and Construction of the Republic of Kazakhstan", I **HEREBY ORDER:**

1. To approve the attached Rules for subsidizing the coupon interest rate on bonds issued by the issuer for further issuance of housing mortgage loans for the purpose of improving housing conditions in accordance with the legislation of the Republic of Kazakhstan, according to the Annex hereto.

2. The Committee for Construction and Housing and Public Utilities of the Ministry of Industry and Construction 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 Industry and Construction of the Republic of Kazakhstan.

3. Control over implementation of this order shall be assigned to the supervising Vice Minister of Industry and Construction of the Republic of Kazakhstan.

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

**Minister of Industry
and Construction**

of the Republic of Kazakhstan K. Sharlapayev

"AGREED"

Ministry of Finance

of the Republic of Kazakhstan

"AGREED"

Agency of the Republic of Kazakhstan
for Regulation and Development
Of the Financial Market
"AGREED"

Ministry of National Economy
of the Republic of Kazakhstan

Annex to the Order
of the Minister of Industry
and Construction
of the Republic of Kazakhstan
dated May 24, 2024 № 190

Rules for subsidizing the coupon interest rate on bonds issued by the issuer for further issuance of housing mortgage loans for the purpose of improving housing conditions in accordance with the legislation

of the Republic of Kazakhstan Chapter 1. General provisions

1. These Rules for subsidizing the coupon interest rate on bonds issued by the issuer for further issuance of housing mortgage loans for the purpose of improving housing conditions in accordance with the legislation of the Republic of Kazakhstan (hereinafter referred to as the Rules), have been developed in accordance with subparagraph 420-1) of paragraph 15 of the Regulations of the Ministry of Industry and Construction of the Republic of Kazakhstan, approved by the Resolution of the Government of the Republic of Kazakhstan dated October 4, 2023 № 864 "Some issues of the Ministry of Industry and Construction of the Republic of Kazakhstan" and shall determine the procedure and conditions for subsidizing the coupon interest rate on bonds issued by the issuer for further issuance of housing mortgage loans for the purpose of improving housing conditions in accordance with the legislation of the Republic of Kazakhstan.

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

1) subsidizing the coupon interest rate on bonds issued by the issuer for further issuance of housing mortgage loans for the purpose of improving housing conditions in accordance with the legislation of the Republic of Kazakhstan (hereinafter referred to as the subsidizing) – reimbursement of part of the expenses paid by the issuer to the holder of a bond with a subsidized coupon rate;

2) coupon interest rate - the amount of coupon interest expressed as a percentage, which is determined and formed in accordance with the terms of the prospectus and is subject to payment on a periodic basis to the bondholder for the use of funds received by the issuer as a result of the placement of the bond;

3) stock exchange – a legal entity created in the organizational and legal form of a joint-stock company, at least 25 (twenty-five) percent of the total number of voting shares of which belong to the National Bank of the Republic of Kazakhstan, which carries out

organizational and technical support for trades by directly conducting them using the trading systems of this trade organizer;

4) agreement on subsidizing coupon interest rate on bonds (hereinafter referred to as the agreement) - bilateral written agreement concluded between the authorized body and the issuer, under the terms of which the authorized body subsidizes a part of the coupon interest rate on bonds issued by the issuer in accordance with the legislation of the Republic of Kazakhstan;

5) bond issue prospectus - a document containing information about the issuer, the bonds proposed for sale, the volume of the issue, the number of bonds in the issue, the procedure and order of their issue, placement, circulation, payment of interest, redemption and other information that influences the investor's decision to purchase the bond;

6) authorized body for architecture, urban planning and construction (hereinafter referred to as the authorized body) - central government body exercising leadership in the sphere of public administration of architectural, urban planning and construction activities;

7) issuer – a person issuing equity securities.

3. Subsidizing shall be carried out on bonds issued by in accordance with the legislation of the Republic of Kazakhstan on issues related to the securities market.

4. The funds provided for subsidizing shall be transferred from the republican budget by the authorized body on the basis of an agreement concluded with the issuer, in accordance with Appendix 1 to these Rules.

5. Subsidies are transferred annually to the issuer's bank account in a single payment, in an amount equal to the subsidized coupon rate in the financial year, in accordance with the repayment schedule, which is an Annex to the agreement, in accordance with Annex 1 to these Rules (hereinafter referred to as the repayment schedule).

6. Subsidies are accrued from the date of the beginning of the bond circulation period in accordance with the prospectus of the issuer of bonds until the date of the end of the bond circulation period.

7. For the purposes of these Rules, the issuer shall be understood to be a quasi-public sector entity that is a second-tier bank operating within the framework of the housing construction savings system.

Chapter 2. Procedure of subsidizing

8. The subsidizing includes the following procedure:

1) acceptance by the authorized body of a proposal for subsidizing from the issuer, in accordance with Annex 2 to these Rules (hereinafter referred to as the subsidy proposal);

2) adoption of a decision by an authorized body on the conclusion of an agreement, in accordance with Annex 1 to these Rules;

3) conclusion of an agreement between the authorized body and the issuer;

- 4) Submission of an application for subsidizing by the issuer, in the form according to Annex 3 to these Rules (hereinafter referred to as the subsidy application);
 - 5) payment of subsidies by the authorized body.
9. The subsidy proposal shall be submitted by the issuer with attached copies of the bond issue prospectus, certificate of state registration of the bond issue and extract from the register system of securities holders on the date of the initial placement of bonds, as well as the repayment schedule for the relevant financial year.
10. Within 5 (five) working days from the date of receipt of the proposal for subsidizing, the authorized body shall carry out:
- 1) verification of compliance of the subsidy proposal with paragraphs 22 and 23 of these Rules;
 - 2) making and formalizing the decision to conclude the agreement and notifying the issuer thereof.
11. The decision of the authorized body to conclude the agreement shall be signed by the first head of the authorized body or the person performing his duties.
12. The decision of the authorized body to conclude the agreement shall include:
- 1) name and location of the issuer, at whose suggestion the decision to conclude the agreement was made;
 - 2) the amount of the bond loan;
 - 3) the term of the subsidy;
 - 4) the subsidy rate in percent per annum;
 - 5) total amount of subsidies in accordance with the repayment schedule under the prospectus of the bond issue(s) by year.
13. If the subsidy proposal does not comply with paragraphs 22 and 23 of these Rules, the authorized body shall refuse in writing to conclude an agreement.
14. The agreement between the issuer and the authorized body shall be concluded within 5 (five) working days from the date of the decision of the authorized body to conclude the agreement, in accordance with Annex 1 to these Rules.
15. The agreements shall be concluded for a period equal to the period of circulation of the bonds issued in accordance with these Rules.
16. Within 3 (three) working days from the date of receipt of the subsidy application, the authorized body shall:
- 1) register the subsidy application;
 - 2) verify the compliance of the amount of the subsidy application, with the amount, indicated in the agreement, according to Annex 1 to these Rules;
 - 3) if the amount of the subsidy application corresponds to the concluded agreement, the authorized body shall make payments of subsidies to the issuer;

4) if the amount of the subsidy application does not correspond to the concluded agreement, notifies the issuer in writing of the identified discrepancies and the need to eliminate them.

17. Upon receipt of a notification of identified discrepancies from the authorized body, the Issuer shall, within 5 (five) working days, eliminate them and re-submit the application for subsidy to the authorized body for consideration, in the manner specified in paragraph 16 of these Rules.

18. The authorized body, within 10 (ten) working days from the date of conclusion of the agreement, shall transfer subsidies to the bank account of the issuer in accordance with the repayment schedule for the relevant financial year.

Subsequent transfers of subsidies under the concluded agreement between the authorized body and the issuer, in accordance with Annex 1 to these Rules, shall be carried out in accordance with paragraph 5 of these Rules.

19. In the event that the issuer pays the coupon interest on the bonds using its own funds, the authorized body shall reimburse the issuer for the previously paid portion of the coupon interest on the bonds by transferring the amount of the subsidy to the bank account of the issuer specified in the agreement, in accordance with Annex 1 to these Rules.

20. Transactions with bonds with a subsidized coupon rate shall be subject to registration in the nominal holding accounting system and (or) the system of registers of securities holders

Registration of transactions with bonds with a subsidized coupon rate, as well as accounting and confirmation of rights to these bonds, shall be carried out in accordance with the legislation of the Republic of Kazakhstan on the securities market.

21. Subsidizing is provided for the placed issue(s) of bonds.

22. Subsidizing is carried out on bonds:

1) targeted use of funds raised through the bond issue - funds raised through the bond issue are intended for subsequent issuance of mortgage housing loans at the interest rate of 7% per annum for persons registered with local executive bodies as socially vulnerable groups, 9% per annum for persons registered with local executive bodies as persons in need of housing in other categories, other citizens of the Republic of Kazakhstan and Kandas;

2) the total volume of issue/issues of bonds subject to subsidization - in the first year no more than 300,000,000,000 (three hundred billion) tenge and in subsequent years no more than 200,000,000,000 (two hundred billion) tenge;

In this case, it shall be permitted to carry out several issues of bonds within a certain total volume of the issue in the relevant year, subject to the established limit, in accordance with subparagraph 2) of this paragraph of the Rules.

3) the period of bond's circulation shall be no more than 8 (eight) years;

4) coupon interest rate on the bond - shall not exceed the level of the base rate set by the National Bank of the Republic of Kazakhstan on the date of placement of subsidized bonds.

23. Subsidizing shall be carried out on bonds issued over 8 (eight) consecutive years, while the total volume of the issue/issues of bonds for which subsidizing is carried out does not exceed 1,700,000,000,000 (one trillion seven hundred billion) tenge.

24. In the event that the placed issue/issues of bonds comply with the conditions defined by these Rules, 7% per annum of the coupon interest rate shall be paid by the issuer, and the difference shall be subsidized in accordance with paragraph 5 of these Rules.

25. The Issuer shall inform the authorized body on a quarterly basis about the development of the subsidy amounts within the framework of the concluded agreements, in accordance with Annex 1 to these Rules.

Annex 1
to the Rules for subsidizing the coupon
interest rate on bonds issued by the issuer
for further issuance of housing mortgage
loans for the purpose of improving
housing
conditions in accordance with the
legislation
of the Republic of Kazakhstan

Agreement on subsidizing the coupon interest rate on bonds issued by the issuer for further issuance

of housing mortgage loans to improve housing conditions in accordance with the legislation of the Republic of Kazakhstan

represented by _____

—,

acting on the basis of _____,
hereinafter referred to as the "Authorized body" on the one part, and

represented by _____

—,

acting on the basis of _____,

hereinafter referred to as the "Issuer" on the other part, jointly referred to as the "Parties", or as stated above, have made this Agreement on subsidizing the coupon interest rate on bonds (hereinafter referred to as the Agreement), as follows:

Chapter 1. Subject of the Agreement

1. Under the terms of this, the Authorized Body shall subsidize the coupon interest rates on bonds, under the following conditions:

Designated purpose	_____
Amount as of the date of conclusion of this Agreement	_____
Currency	_____
Interest rate	_____
Amount of interest	_____
Term	_____

2. Subsidizing shall be carried out at the expense of the republican budget.

3. The interest rate on bonds bought out by the issuer shall not be subject to subsidizing.

4. A part of the interest rate on bonds in the amount of _____%, in this case, part of the interest in the amount of _____ shall be annually reimbursed by the Authorized body.

5. Start of the subsidy period: _____years. In this case, subsidizing shall be carried out within _____ years.

6. The authorized body shall pay subsidies after signing this Agreement and the issuer submits a subsidy application

7. The Issuer shall make full payment of the coupon interest amount to the persons who are entitled to receive it and are registered in the issuer's securities holders register system as of the beginning of the last day of the period for which the interest is paid (at the time at the location of the issuer's registrar) (hereinafter referred to as the date of fixation)). Payment of interest shall be made by transferring money (in tenge) to the current accounts of the bond holders, registered in the register of bond holders on the date of fixation, within 15 (fifteen) calendar days from the date following the date of fixation.

8. The transfer of funds provided for subsidizing, shall be carried by the Authorized body in accordance with Правилами subsidizing the coupon interest rate on bonds issued by the issuer for further issuance of housing mortgage loans for the purpose of improving housing conditions in accordance with the legislation of the Republic of Kazakhstan, approved according to subparagraph 420-1) of paragraph 15 of the Regulations of the Ministry of Industry and Construction of the Republic of Kazakhstan, approved by the Resolution of the Government of the Republic of Kazakhstan dated October 4, 2023 № 864 (hereinafter referred to as the Rules for subsidizing the coupon interest rate), within 10 (ten) working days by transferring funds to the issuer's current account in the bank, if there are budgetary funds for subsidies.

9. The Parties to this Agreement agree that if the payment day falls on a weekend or holiday, payment shall be made on the following working day.

Chapter 2. Rights and obligations of the Parties

10. Rights of the Authorized body:

1) promptly sends funds intended for subsidizing the coupon interest rate to the issuer's bank account, in accordance with paragraph 8 of this Agreement;

2) suspends subsidizing if facts of misuse of funds from the placement of bonds for which subsidizing is carried out are revealed;

3) monitors the implementation in accordance with the Rules for subsidizing the coupon rate.

11. Obligations of the Authorized body:

1) conducts checks of the issuer for the intended use of funds. Request documents and information from the issuer confirming the intended use of funds from the placement of bonds ;

2) requests and receives from the central depository documents and information about the issuer, as well as about the placement of bonds participating in the framework of the Rules for subsidizing the coupon rate;

3) additionally requests from the issuer the necessary information on the results of its activities within the framework of the implementation of the Rules for subsidizing the coupon interest rate during the term of this Agreement for the purpose of generating a report;

4) exercises control over compliance with the deadlines for the fulfillment of the issuer's obligations established by this Agreement, provided for the Parties, and requires their timely fulfillment by the issuer.

12. Rights of the Issuer:

1) fulfills its obligations under the Agreement in a timely manner and in full;

2) promptly transfers the full amount of coupon interest to the accounts of persons who have the right to receive it and are registered in the issuer's securities holders' register system at the beginning of the last day of the period for which the interest is paid (according to the time at the location of the issuer's registrar);

3) grants the Authorized body, upon written request, the right to conduct audits of the targeted use of funds from the placement of bonds, compliance with the terms of the Rules for subsidizing the coupon rate.

13. Obligations of the Issuer:

demands from the Authorized Body the payment of subsidies in part of the subsidized coupon interest rate.

Chapter 3. Term of the Agreement

14. This Agreement shall enter into force upon its signing by the Parties, and shall be valid through _____ 20____, and in terms of unfulfilled obligations - until they are fully fulfilled.

Chapter 4. Liability

15. The Parties to this Agreement shall be liable for failure to perform and (or) improper performance of obligations arising from this Agreement, in accordance with this Agreement and the civil legislation of the Republic of Kazakhstan.

Chapter 5. Force majeure

16. The Parties shall be released from liability for failure to perform or improper performance of their obligations under this Agreement if the impossibility of performance was due to force majeure, that is, extraordinary and unavoidable circumstances under the given conditions (natural phenomena, military actions, etc.).

17. In case of force majeure, i.e. extraordinary and unavoidable circumstances, the Party for which it is impossible to fulfill its obligations under this Agreement, shall notify the other Party of such circumstances in a timely manner within 10 (ten) working days from the date of occurrence. In this case, the nature, period of validity, the fact of occurrence of force majeure circumstances shall be confirmed by the relevant documents of the authorized state bodies.

18. In the absence of timely notification, the Party shall compensate the other Party for damage caused by failure to notify or untimely notification.

19. The occurrence of force majeure, i.e. extraordinary and unavoidable circumstances, causes an increase in the term of execution of this Agreement for the period of their validity.

20. If such circumstances continue for more than 3 (three) months in a row, then either Party shall refuse to further fulfill its obligations under this Agreement.

Chapter 6. Settlement of disputes

21. In the event of any dispute arising in connection with the execution of this Agreement, either Party shall make efforts to settle all disputes through negotiations.

22. If the dispute that has arisen cannot be resolved through negotiations, this dispute and other issues related to it shall be resolved and regulated in accordance with the civil legislation of the Republic of Kazakhstan.

Chapter 7. Confidentiality

23. The Parties hereby agree that information concerning the terms of this Agreement, banking secrecy, as well as financial, commercial and other information received by them during the conclusion and execution of this Agreement, is confidential and is not subject to disclosure to third parties except in cases expressly provided for in this Agreement.

24. Transfer of confidential information to third parties, publication or other disclosure thereof by the Party shall be possible in cases expressly provided for by this Agreement, as well as by the civil and business legislation of the Republic of Kazakhstan.

25. The Parties shall take all necessary measures, including legal ones, to maintain the confidentiality of the existence and terms of this Agreement. Officials and employees of the

Parties are prohibited from disclosing or transferring to third parties information obtained during the implementation of this Agreement.

26. In the event of disclosure or dissemination by either Party of confidential information in violation of the requirements of this Agreement, the guilty Party shall bear liability as provided for by the legislation of the Republic of Kazakhstan.

Chapter 8. Final provisions

27. By signing this Agreement, the Parties mutually provide consent to disclose information on the implementation of this Agreement in compliance with the requirements of the legislation of the Republic of Kazakhstan in terms of maintaining banking, commercial and official secrets.

28. The provisions of this Agreement are subject to amendments and/or additions. Only those amendments and additions that are drawn up by agreement of the Parties in writing and signed by authorized representatives of the Parties are recognized as valid and binding for the Parties.

29. This Agreement is made in two (2) identical copies in the Kazakh and Russian languages, one (1) copy in the Kazakh and Russian languages for each of the Parties, each of which has equal legal force.

30. In all other matters not provided for by this Agreement, the Parties shall be guided by the current legislation of the Republic of Kazakhstan.

Chapter 9. Legal addresses, bank details and signatures of the Parties

Authorized body

seal

Issuer

seal

Annex
to the Agreement on subsidizing the
coupon
interest rate on bonds issued by the issuer
for further issuance of housing mortgage
loans
to improve housing conditions in
accordance
with the legislation of the Republic of
Kazakhstan

Form

Repayment Schedule

Identification code: (a unique 20-digit code of IBAN format)

Interest repayment date	Amount of interest paid by the Issuer	Amount of interest reimbursed by the Authorized Body	Total amount of the accrued interest
Authorized body _____		Issuer _____	
seal _____		seal _____	
_____		_____	
_____		_____	
_____		_____	

Annex 2
to the Rules for subsidizing the coupon interest rate on bonds issued by the issuer for further issuance of housing mortgage loans for the purpose of improving housing conditions in accordance with the legislation of the Republic of Kazakhstan

Subsidy proposal

Issuer: _____
(full name of legal entity)

To: _____

(name of authorized body)

1. Information about the Issuer

1	Name of the Issuer	
2	Surname, name, patronymic (if any) of the head	
3	Information about the Issuer: BIN*	
4	Bank details	
5	Contact phones	

2. Information on bond loans subject to subsidies

№	Prospect on bonds (ISIN (NIN)**)	Bond loan amount, tenge	Coupon interest, %	Maturity date
1	2	3	4	5
1				
2				
3				
4				

This is to certify that:

1) the Issuer's activities are not undergoing a change of organizational and legal form, liquidation or bankruptcy, and its activities have not been suspended in accordance with the applicable laws of the Republic of Kazakhstan, except for cases of financial debt restructuring and accelerated rehabilitation procedure;

2) coupon interest on the bonded loan specified in the proposal is not subsidized under other state and (or) budget programs.

Annex:

a copy of the bond issue prospectus on _____ sheets;

a copy of the certificate of state registration of the bond issue on _____ sheets;

a copy of the extract from the system of registers of securities holders on _____ sheets.

Surname, name, patronymic (if any) and signature of the head
of the Issuer or a deputy person _____

Submission date "___" _____ 20__.

Note:

Explanation of abbreviations:

* BIN – Business Identification Number;

** ISIN (NIN) – International Stock Identification Number (National Identification Number).

Annex 3
to the Rules for subsidizing the coupon
interest rate on bonds issued by the issuer
for further issuance of housing mortgage
loans for the purpose of improving
housing
conditions in accordance with the
legislation
of the Republic of Kazakhstan

Form

(name of the authorized body)

Subsidy application

"___" _____ 20__

Hereby, the issuer _____ according to the Agreement
dated "___" _____ 20__ № _____,

asks to pay the subsidies to the bank account _____

in the amount of _____ tenge,

for the period from "___" _____ 20__ to "___" _____ 20__.

Head of the issuer (representative under a power of attorney)

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

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