

## About approval of Rules of subsidizing interest rates on loans issued to support agriculture

### *Unofficial translation*

Decree of the Government of the Republic of Kazakhstan dated March 1, 2011 No. 205

#### *Unofficial translation*

In accordance with the law Republic of Kazakhstan dated November 29, 2010 "About the republican budget for 2011-2013" the Government of the Republic of Kazakhstan RESOLVES:

1. To confirm the accompanying rules subsidizing interest rates on loans issued to support agriculture.

2. This resolution shall be enforced after ten calendar days after its first official publication.

*Prime Minister Of the Republic Kazaxstan*

*K. Massimov*

Approved  
Resolution of the Government  
Republic of Kazakhstan  
from March 1, 2011 № 205

## **Rules subsidizing interest rates on loans, issued to support agriculture 1. General Provisions**

1. These rules of subsidizing interest rates on loans issued to support agriculture ( hereinafter - the Rules) have been developed in accordance with the law of the Republic of Kazakhstan dated November 29, 2010 "About the republican budget for 2011-2013" and determine the procedure for granting subsidies from the state budget for reimbursement of expenses for the payment of the borrower interest rate on loans and leasing in the framework of the budget program 039 "Compensation of interest rates on loans support for agriculture "( hereinafter - the program), implemented in 2011.

2. In these Rules, the following terms and definitions:

definition - selection of financial institutions and the distribution of the budget of the program in between budget subsidies under the program;

agricultural products - raw materials and production of crops and livestock, including beekeeping, including products obtained by their primary processing;

the administrator of the budget program - Ministry of Agriculture of the Republic of Kazakhstan;

financial institutions - second-tier banks, credit organizations, having the appropriate license to carry out banking activities, leasing companies;

the borrower - an individual, legal person, regardless of ownership, including the peasant (farmer) economy, engaged in processing agricultural products, fish and / or manufacturing of finished food products;

loan agreement - the contract of bank loan / finance lease entered into between the financial institution and the borrower;

interest rate - the interest rate established by the loan agreement for the use of credit (leasing);

authorized body - the state body for regulation and supervision of financial markets.

3. Subsidies from the state budget are provided in an amount not more than 80 (eighty) per cent of the interest rate. Subsidizing subject credits (lease) issued by financial institutions with its own and / or borrowed funds, thus limiting the interest rate must not exceed 20% (twenty percent) per annum.

The amount of credit (leasing), on which the interest rate subsidies may not exceed 3,500,000,000 (three billion five hundred million) tenge for one borrower.

The amount of the credit limit to be subsidies, applies to loans (leasing) repaid ahead of schedule or on time during 2011.

4. Subsidized interest rates carried out by the existing loan (leasing) for the actual period of the loan (leasing) in the period from 1 January to 31 December 2011.

Loan (leasing) obtained by the borrower after January 1, 2011, interest rate subsidies made in the twelve months from the date of issuance of the loan, and / or from the date of transfer of equipment leasing.

At the same time the previously subsidized loan (leasing) at the expense of the last fiscal year, subsidies made for the actual period of the loan (leasing) since the end of the development grants last year to 31 December 2011.

Amount of the loan (leasing) in foreign currency shall be equivalent to the amount specified in paragraph 3 of this Regulation, according to the official rate of the National Bank of Kazakhstan, effective on the date of issuance of the loan.

In this loan (leasing), issued by the financial institution in a foreign currency, subsidies shall be awarded at the rate of National Bank of Kazakhstan, effective on the date of the determination.

5. The subsidies do not are subject to credit (leasing) of borrowers who receive grants under the program "Business Road Map 2020", as well as loans on special letter of credit services.

6. At the expense of the republican budget made subsidizing interest rates on loans (leasing), aimed at:

1) purchase of agricultural products for industrial processing, basic and auxiliary materials, purchased semi-finished products, components and spare parts for repair of process equipment, fuel, low value items, equipment, tools and special tools and devices, regardless of their value, are intended for the production of a certain batch of products;

2) purchase of equipment for processing agricultural products and food production, industrial equipment and accessories;

3) refinance previously incurred cost, the target direction previously issued means must comply sub 1) and 2), paragraph 6 hereof.

## **2. The procedure for the provision of funds from the national budget to subsidize interest rates on loans granted to support agriculture**

7. The administrator of the budget program forms a committee consisting of the chairman, members and secretary of the commission. The commission shall be approved by order of the executive secretary of the Administrator of the budget program. The committee consists of representatives of concerned departments of the Administrator of the budget program, the number of members of the commission shall be odd and at least five people. Commission secretary is not a member of the commission.

8. Date of the first meeting of the Commission on the definition of financial institutions participating in the program, picked April 5, 2011. In the case of an incomplete allocation of grants provided for in the fiscal year, and / or education savings on the results of the previous definition of re-commission meeting held on July 5 and October 4, 2011.

9. The Secretary of the Commission registers the applications of financial institutions in a special register, which must be numbered, bound and sealed by the administrator of the budget program.

10. In case of need for clarification of the provisions of this Regulation, financial institution refers to the administrator of the budget program with a written request, but no later than ten business days prior to the deadline for submission of applications.

11. The administrator of the budget program provides the definition of financial institutions participating in the program, according to the following criteria:

1) the presence of the formed portfolio of applications of borrowers, including a brief description of the borrower and the project;

2) experience of working with borrowers financial institution;

3) the absence of overdue taxes and other compulsory payments which are registered for more than three months.

12. Financial institutions are free to determine the borrowers on the basis of the following on their requirements:

resident of the Republic of Kazakhstan, undertake the following activities: processing of meat, milk, fruits, berries, vegetables, hides and wool, cereals, cotton, fish, red deer antlers; production of poultry meat, eggs and egg powder, canned fruits and vegetables, baby food, bread, bakery products and pasta, oil and fat products, animal feed, white sugar, confectionery, honey and other bee products;

absence of overdue taxes and other compulsory payments which are registered for more than three months.

13. Financial institutions wishing to participate in the definition, are applied according to the form Annex 1 to this Regulation. The application must be signed by the head of a financial institution or a person having power of attorney for the right to sign the application, and is sealed by a financial institution. The individual applications from branch offices (offices) are not accepted financial institution.

14. Application as an integral part thereof attached:

1) a notarized copy of certificate of state registration (re-registration) of the legal entity (financial institution);

2) a notarized copy of the license to carry out banking activities (except for leasing companies);

3) the original certificate of the established form of the relevant tax authority on the absence or presence of the tax debt and the debt of a financial institution for mandatory pension contributions to pension funds, a certificate must be dated no more than three months prior to the date of opening envelopes with applications for the signature of the head or face authorized to sign with the stamp of the tax authority;

4) a certificate of a financial institution, confirming that the financial institution is solvent, is not subject to liquidation, its property is not seized, its financial and economic activities are not suspended in accordance with the legislation of the Republic of Kazakhstan;

5) A certified copy of the financial institution of credit agreement and / or agreement with prior credit repayment schedule application (lease) and payment of interest on it, made between a financial institution and the borrower;

6) a certified copy of the contract the financial institution for the purchase of agricultural products (in the case of use of raw materials of its own production to make help the borrower on the volume of its own production of agricultural products) or an act intended use of credit checks, preparation of the financial institution;

7) a certified copy of the financial institution an extract from the loan account of the borrower for a loan (leasing) or proof of a loan, the leased asset;

8) A brief description of the form according to the borrower Annex 2 hereto;

9) a brief description of the project the borrower according to the form Annex 3 hereto;

10) Calculation of interest on each loan (lease) borrower according to paragraph 4 hereof form according to the appendix of 4 hereto;

11) copy of the certificate of the established form of the relevant tax authority of the borrower on the absence or presence of tax arrears and arrears of pension contributions to pension funds, a certificate must be dated no more than three months prior to the date of opening envelopes with applications for the signature of the head or face, authorized to sign with the stamp of the tax authority;

12) A certificate form according borrower Appendix 5 hereto;

13) a written commitment of the financial institution on the conclusion of loan agreements with borrowers and to borrowers loan within twenty (20) working days from the date of signing of the outcome of the determination in accordance with the protocol paragraph 21 of these Rules;

14) power of attorney for the right to sign the application, if the application is not signed by the first head of a financial institution.

Brief description of the borrower, a brief description of the project, a certificate signed by the borrower and the borrower's first head of its certified seal. Information confirmed by a branch of a financial institution, which is serviced by the borrower (signature and stamp of the first head of the branch of a financial institution). In the case of submission of a fax copy or photocopy of a brief description of the borrower, a brief description of the project, the borrower's help, they are certified by the original printing of the financial institution and the signature of an authorized official.

15. The application and all accompanying documents must be bound into a single package, the pages are numbered on the back of the last page of the thread ends should be sealed with a sheet of paper with the words "stitched and numbered \_\_\_\_\_ sheets. Date" \_\_\_\_ "\_\_\_\_ 2011", signed by an official and stamped financial institution. The presence in the envelope are not stitched, individual documents is not permitted, such documents are not considered by the Commission and returned to the financial institution. In case of representation financial institution more than one application, all applications are subject ordinal numbering.

16. In the case of submission of financial institution in several applications at the same time a financial institution making the documents referred to in subparagraphs 1) -4), 8), 11) - 13) paragraph 14 this Regulation, in one of the applications, putting in applications other financial institution a document stating that the documents are in the appropriate application.

17. On the first day of the procedure of opening the session of the commission for the definition of financial institutions is carried out envelopes with application, then within 5 (five) working days from the date of opening the envelopes composed of opening envelopes with applications protocol, signed by the chairman of the commission, the commission members and the secretary of the commission .

18. According to the requirements 11 points. 12, Subparagraphs 1) -4), 13), 14), paragraph 14, paragraph 15 of this Regulation, the Commission, within 10 (ten) business days after signing the Bid Opening Protocol shall decide on the admission of the financial institution to participate in defining and considering the documents submitted borrowers in terms of their completeness and compliance with the requirements of this Regulation.

19. The Commission, having considered the documents of the borrower, shall be completed within three (3) business days of the decision to grant / not to grant subsidies to the borrower and determines the amount of subsidy for each loan presented (leasing) a financial

institution. the volume of funds subsidy distribution is carried out by the Commission in direct proportion to the amount of interest on the loan (leasing), provided in Appendix 4 hereof.

20. The financial institution decision about the admission committee to participate in the definition and distribution of subsidies between them registered in the minutes of the meeting of the commission, within 5 (five) working days after the decision, which is signed by the chairman, members and secretary of the commission.

The record shall include the name, the location of the financial institution, the amount of subsidies a financial institution, the list of borrowers as well as the name of the financial institution and the borrower does not meet the statutory requirements with an indication of the reasons for rejection of applications.

The commission's decision is reported notice in writing to all financial institutions participating in the implementation of the budget of the program.

21. As a result of the determination within twenty (20) working days from the date of signing of the minutes of the Commission financial institutions make loans to borrowers, according to their submissions prior loan agreements.

Within 10 (ten) business days after the issuance of financial institutions to borrowers, as well as on the basis of the protocol on the results of determination between the administrator of the program and the financial institution is a contract to subsidize, provide for the procedure and conditions for the transfer of funds, responsibilities of the parties, the list of borrowers and other conditions.

22. Allocation of funds to the Administrator of the budget program for later transfer them to the account of a financial institution in accordance with the Rules of the budget execution and cash management services approved Decree The Republic of Kazakhstan dated February 26, 2009 № 220.

The administrator of the budget program checks provided by a financial institution an application for the transfer of funds from the national budget to the account in the form of a financial institution in accordance with Annex 6 to this Regulation and report according to the form Annex 7 to this Regulation and, after their examination forms list for subsidized interest interest rate on the loan (leasing) the form according to Annex 8 to this Regulation and accounts payable.

23. For the financial institution payment of subsidies by the Administrator of the budget program in the territorial division of the Treasury submitted to the registry accounts payable and accounts payable in two copies.

24. Borrowers receiving subsidies represent up to December 1, 2011 in the financial institution information on the results achieved according to the form Annex 9to this Regulation. Financial institution is the administrator of the program until 15 December 2011 the consolidated information on all borrowers.

25. In the case of non-performance or improper performance of the borrower under the loan agreement regarding repayment of the interest rate on the loan (leasing) of more than 20 (twenty) calendar days, the period of breach of obligations by the borrower grants are not available and can be used by subsidies for the next month (quarter). The size of the subsidies in the provision of an application for the transfer of subsidies for the next quarter reduced by the amount of unused subsidies paid in the previous quarter.

26. In case of change of financial institution the financing conditions of the loan agreement (repayment schedule, term of the loan (leasing) and the like), as well as the restructuring of the loan agreement after bilateral signing of the agreement on subsidies, except in the case of changes in interest rate financial institution in the downward, subsidies to these loan agreements are not available since the adoption of the new schedules and / or additional agreements to the loan agreement.

Appendix 1  
to subsidize the Rules rate  
interest on loans,  
issued to support  
Agriculture

## REQUEST

Having considered the rules of subsidizing interest rates on loans issued to support agriculture, approved by Resolution of the Government of the Republic of Kazakhstan "\_\_\_" \_\_\_\_\_ 20\_\_\_ number \_\_\_\_\_,

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(Full name of the financial institution)

is willing to take part in the implementation of the budget program 039 "Compensation of interest rates on loans to support agriculture" to receive subsidies.

This application contains:

1. Information about the participant

Full name \_\_\_\_\_

Legal address \_\_\_\_\_

Current address, phone, fax, e-mail: \_\_\_\_\_

Certificate of state registration (number, date, place of issue, issuing authority)

\*

License number, date of issue and the authority that issued the license \* \_\_\_\_\_

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Full name. the first head \_\_\_\_\_

\* Submitted notarized copies

2. Information on compliance with the prudential standards of the state body on regulation and supervision of financial markets in the last three months preceding the date of selection

The maximum exposure to any one borrower (\_\_\_\_\_)

Liquidity ratio (\_\_\_\_\_)

Limits on open foreign currency position (\_\_\_\_\_)

The coefficient of the maximum size of financial institution investments in fixed assets and other non-financial assets (\_\_\_\_\_)

3. Information on compliance with the minimum size limit of the authorized and own capital

The authorized capital stock mln. tenge (\_\_\_\_\_)

Equity capital mln. Tenge (\_\_\_\_\_)

4. Information about the experience of working with borrowers

number p / p	Organization name	Address, telephone	Main work	Date of the main account opening	number and the amount o f credits	sum percent loan	recoverability on loans interest

5. Information on the portfolio of borrowers applications

number p / p	Full legal Company	name entity,	Address	Main activity	goal loan	s u m l o a n mln. tenge	t i m e a c t i o n s loan

The first head of \_\_\_\_\_ (Name)

(signature)

tamp (Date)

Appendix 2  
to subsidize the Rules rate  
interest on loans,  
issued to support  
Agriculture

## Brief description of the borrower \*

1. Full name, legal form \_\_\_\_\_

2. Ownership \_\_\_\_\_

3. Legal, factual and email addresses, phone numbers,  
fax machine \_\_\_\_\_

4. The certificate of state registration, issuing authority,  
number, date and place of issue \_\_\_\_\_

5. The authorized capital of \_\_\_\_\_

6. Founders \_\_\_\_\_

7. Bankers \_\_\_\_\_



8. Place of registration for tax, TIN number \_\_\_\_\_

9. Name first director, office and home phones \_\_\_\_\_

10. The main activities, capacity of the plant \_\_\_\_\_

11. Annual turnover amount \_\_\_\_\_

12. The gain or loss on the last reporting date, the amount \_\_\_\_\_

13. The actual number of employees \_\_\_\_\_

14. The arrears of payments to the budget, taxes and other charges

(For any type and amount) \_\_\_\_\_

15. Arrears on loans (to whom and amount) \_\_\_\_\_

16. Supposed markets and their capacity to KZT \_\_\_\_\_

17. The main types of equipment used and their productivity (tons, liters, pieces per shift) \_\_\_\_\_

18. Major suppliers of agricultural commodities (attach Preliminary Treaty, references, etc.). \_\_\_\_\_

(In the case of own raw materials to make help the borrower on the volume of its own production agricultural products)

19. Information on the activities of the company over the past 2 years.

years	purchased raw materials		p r o d u c e d finished products		b y number workers	The sum paid t a x payments thous. tenge
	in money thous. tenge	Raw material, meas.unit	in money thous. tenge	Raw material, meas.unit		

First Employee \_\_\_\_\_ (Name)

(Position) (signature)

Stamp (date)

\*\* Information about \_\_\_\_\_

(Company name)

reaffirm that \_\_\_\_\_ (position, name, seal)

(signature)

Note:

\* To be completed separately for each borrower

\*\* Data certified by the signature and seal of the head of the financial institution or its branch, which is serviced by the borrower.

to subsidize the Rules rate  
interest on loans,  
issued to support  
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## Brief description of the project the borrower \*

1. Name of the borrower, \_\_\_\_\_
2. Amount of the loan (leasing), tenge / USD / EUR \_\_\_\_\_
3. Term of crediting (leasing) months. \_\_\_\_\_
4. Interest rate,% \_\_\_\_\_
5. The purpose of the project \_\_\_\_\_

number p / p	name agricultural equipment, etc.	of raw	purchased materials,	Price	number	sum

First Manager \_\_\_\_\_ (full name)

(Position) (signature)

Stamp (date)

\*\* Information about \_\_\_\_\_

(Company name)

confirm: \_\_\_\_\_ (position, Full name, seal)

(signature)

Note:

\* To be completed separately for each loan borrower

\*\* Data certified by the signature and seal of the head of the financial institution or its branch, which is serviced by the borrower.

Appendix 4  
to subsidize the Rules rate  
interest on loans,  
issued to support  
Agriculture

## The calculation of interest on the loan (leasing), provided financial institution to subsidize

Number \_\_\_\_\_ from \_\_\_\_\_

(Number and date of the loan agreement)

Month	Loan bad loan	Amount / (leasing)	residue debt of	The amount of interest remuneration	s u m maturity primary	maturity value remuneration
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	As of January 1, 2011 year tenge / USD / EUR	l o a n (Lease),%	debt, KZT / USD / EUR	t e n g e USD / EUR
First				
Second				
Third				
Fourth				
Fifth				
Sixth				
Seventh				
Eighth				
Ninth				
Tenth				
Eleventh				
Twelfth				
Total:				

First Branch Manager

financial institution \_\_\_\_\_ (signature, name)

Date Stamp

first head

Company \_\_\_\_\_ (signature, name)

Date Stamp

Appendix 5  
to subsidize the Rules rate  
interest on loans,  
issued to support  
Agriculture

## Reference

\_\_\_\_\_ Borrower hereby notifies that the loans

(Borrower's name)

presented by the financial institution to obtain \_\_\_\_\_

(Financial institution name)

subsidies of the budget program 039 "Compensation of interest rates on loans to support agriculture" did not participate in the "Business Road Map 2020" program and other programs of interest rate subsidy.

First Employee \_\_\_\_\_ (name and last name)

(signature)

MP (date)

\* Information about \_\_\_\_\_

(Company name)

confirm: \_\_\_\_\_ (position, Full name, seal)

(signature)

Note:

\* Data certified by the signature and seal of the head of the financial institution or its branch, which is serviced by the borrower.

Appendix 6  
to subsidize the Rules rate  
interest on loans,  
issued to support  
Agriculture

## Request

**on the transfer of funds from the national budget for subsidizing interest rates on loans,  
issued by a financial institution borrowers**

These financial institution \_\_\_\_\_ asks the Ministry of Agriculture of the Republic of Kazakhstan are listed according to the contract for sponsorship from \_\_\_\_\_ 2011 number \_\_\_\_ funds from the state budget at the expense of the financial institution number \_\_\_\_, open the program 039 "Compensation of interest rates on agricultural support loans" in the amount of \_\_\_\_\_ tenge for the period.

head

financial institution \_\_\_\_\_ (signature, name)

MP

Appendix 7  
to subsidize the Rules rate  
interest on loans,  
issued to support  
Agriculture

## Report

**actual accrual and redemption rates**

**for \_\_\_\_\_ quarter of 2011, interest on loans and**

**Application for transfer of subsidies for \_\_\_\_\_ quarter of 2011**

number p / p	Name debtor	Total applied subsidies tenge	Total subsidies listed for the reporting period, tenge		Actually credited subsidies tenge with		Deviation (+ -) Overpayment (-) lack of
			Total	including for the reporting period	Total	including for the reporting period	gr.4-gr.6
1	2	3	4	5	6	7	8

Table continuation

actually credited borrower remuneration tenge		paid by the borrower * remuneration tenge		Application of the financial institution for the quarter ____ 20 , the Tenge					
				total amount		repayment borrower		subsidy budget **	
Total	including during the reporting period	Total	including during the reporting period	%	sum	%	sum	%	sum
9	10	eleven	12	thirteen	14	fifteen	16	17	18

Note:

\* Excluding the amount of subsidy

\*\* including the amount of deviations gr.8.

The head of a financial institution \_\_\_\_\_ (signature, name)

MP

Appendix 8  
to subsidize the Rules rate  
interest on loans,  
issued to support  
Agriculture  
"Approved"  
Responsible Secretary of the Ministry  
of Agriculture of the Republic of Kazakhstan

\_\_\_\_\_ from " \_\_\_\_ " \_\_\_\_\_ 2011

## Sheet

to subsidize the interest rates of remuneration loan of the budget program 039 "

Compensation rates

voznagramadeniya for supporting agriculture loans " consent agreement on subsidies  
by 2011 \_\_\_\_\_ number

Name financial Institute	lending terms			Actually listed the amount of subsidy Ministry of Agriculture	Total the balance (gr.5- gr.6)
	sum loan	annual amount of repayment rate remuneration	annual amount of subsidized Ministry of Agriculture		
1	2	3	4	5	6

Table continuation

application of the financial Institute for the quarter ____ of 20 tenge			subsidy		
total amount	repayment debtor	subsidy from the budget	Charge for previous years	total accrual considering applications financial Institute	subject to transfer (Gr.12-gr.6)
	sum	sum			
7	8	9	10	eleven	12

Director responsible department \_\_\_\_\_ (signature, name)

Appendix 9  
to subsidize the Rules rate  
interest on loans,  
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**Information  
of financial and economic activity of the borrower \_\_\_\_\_  
(Borrower's name)**

years	purchased raw materials		produced finished products		I f - hONORS rabot- nick	sum paid t a x payments thous. tenge	Volume of export products value terms ** dollars. US
	in money thous. tenge	Raw material, meas, unit	in money thous. tenge	Raw material, meas, unit			
2010							
2011 *							

Note:

\* Including targets for the month of December

\*\* in the case of its exports

first head

borrower \_\_\_\_\_ (signature, name)

Ch. Accountant \_\_\_\_\_ (signature, name)