



On approval of the Rules for consideration of amendments to the terms of the microcredit agreement

Unofficial translation

Resolution of the Board of the Agency of the Republic of Kazakhstan for the regulation and development of the financial market dated July 16, 2021, № 82. Registered with the Ministry of Justice of the Republic of Kazakhstan on July 21, 2021, № 23630.

Unofficial translation

In accordance with paragraph 3 of Article 9-2 of the Law of the Republic of Kazakhstan "On Microfinance Activities", the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market **HEREBY RESOLVES TO:**

1. Approve the attached Rules for consideration of amendments to the terms of the microcredit agreement.
2. The Department of Financial Services Consumers' Rights Protection, in accordance with the procedure established by the legislation of the Republic of Kazakhstan, shall ensure:
 - 1) together with the Legal Department, state registration of this Resolution with the Ministry of Justice of the Republic of Kazakhstan;
 - 2) placement of this Resolution on the official Internet resource of the Agency of the Republic of Kazakhstan for regulation and development of the financial market after its official publication;
 - 3) within ten working days after the state registration of this Resolution, submission to the Legal Department of information on the implementation of the measure provided for in subparagraph 2) of this paragraph.
3. To impose control over the execution of this Resolution on the supervising Deputy Chairman of the Agency of the Republic of Kazakhstan for the regulation and development of the financial market.
4. This Resolution is subject to official publication and shall come into effect on October 1, 2021.

*Chairman of the Agency of the
Republic of Kazakhstan for the regulation and
development of the financial market*

M. Abylkassymova

Approved
by the Resolution of the
Board of the Agency of the
Republic of Kazakhstan
for the regulation and development
of the financial market
dated July 16, 2021 № 82

The Rules for consideration of amendments to the terms of the microcredit agreement Chapter 1.

General Provisions

1. These Rules for consideration of amendments to the terms of the microcredit agreement (hereinafter referred to as the Rules) have been developed in accordance with paragraph 3 of Article 9-2 of the Law of the Republic of Kazakhstan “On Microfinance Activities” (hereinafter referred to as the Law on Microfinance Activities), subparagraph 4) of paragraph 1 of Article 9 of the Law of the Republic of Kazakhstan “On State Regulation, Control and Supervision of the Financial Market and Financial Organizations” and shall determine the procedure for consideration by organizations engaged in microfinance activities of applications from individual borrowers to amend the terms of microcredit agreements.

The Rules shall use the basic concepts specified in the Law on Microfinance Activities, as well as the following concepts and abbreviations:

1) debt - the amount of microcredit debt, including the balance of the principal debt, accrued but not paid remuneration, forfeit (fines, penalties) provided for by the microcredit agreement concluded with the borrower;

2) borrower - an individual who has concluded an agreement on the provision of microcredit with an organization engaged in microfinance activities;

3) microfinance organization - an organization that carries out microfinance activity - a microfinance organization, a credit partnership, a pawnshop, carrying out activities for the provision of microcredits.

Chapter 2. The procedure for considering an application for amendments to the terms of the microcredit agreement

2. An application for amending the terms of the microfinance agreement shall be submitted by the borrower to the microfinance organization that provided the microcredit (hereinafter referred to as the Application) in accordance with paragraph 2 of Article 9-2 of the Law on Microfinance Activities.

Upon expiration of the term specified in paragraph 2 of Article 9-2 of the Law on Microfinance Activities, an application shall be filed in the absence of a judicial act that has entered into legal force, an executive inscription on the recovery of debt under a microcredit agreement, an amicable settlement agreement or an agreement on dispute (conflict) resolution through mediation concluded for the settlement of debt under a microcredit agreement or for the execution of a judicial act on the recovery of debt under a microcredit agreement, as well as in case the right (claim) under the microcredit agreement has not been assigned by the microfinance organization to a third party.

A microfinance organization shall consider an application without requiring the borrower to repay the overdue microcredit debt or a part thereof in a lump sum.

The borrower shall have the right, upon agreement with the microfinance organization, to independently repay the overdue debt under the microcredit agreement, or a part thereof, before the microfinance organization considers the application

Footnote. Paragraph 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 29.01.2024 № 6 (shall be enforced upon expiry of sixty calendar days after its first official publication).

3. The borrower's application is subject to mandatory acceptance, registration, accounting and consideration by the microfinance organization.

4. When the borrower submits incomplete information and documents, the microfinance organization shall request them.

The borrower shall provide the requested documents within 5 (five) working days.

Failure to submit the requested documents within the specified period shall be the basis for leaving the borrower's application without consideration, about which a corresponding notification shall be sent.

5. A microfinance organization (except for a pawnshop), when considering the issue of amending the terms of an agreement on the provision of microcredit, when calculating the solvency of the borrower, shall be guided by the requirements of the Rules for calculating and limiting the debt burden ratio of the borrower of an organization engaged in microfinance activities, approved by the Resolution of the Board of the National Bank of the Republic of Kazakhstan dated November 28, 2019 № 215 (registered in the Register of State Registration of Normative Legal Acts under № 19670).

6. The microfinance organization, within 15 (fifteen) calendar days after the date of receipt of the borrower's application, provided for in paragraph 2 of Article 9-2 of the Law on Microfinance Activities, shall consider an application for amendments to the terms and conditions of a microcredit agreement and in writing, as well as through informatization facilities enabling the microfinance organization to identify the borrower through the use of identification means, provided for by the Law of the Republic of Kazakhstan “On payments and payment systems” (hereinafter referred to as the objects of informatization) or in the manner provided for in the microcredit agreement, informs the borrower of one of the following decisions:

- 1) agreeing with the proposed changes to the terms of the microfinance agreement;
- 2) on a counterproposal to change the terms of a microcredit agreement;
- 3) on refusal to change the terms of the microcredit agreement, indicating the motivated reasons for such refusal in the form according to Annex 1 to the Rules.

Amendments to the terms of the microcredit agreement shall be made on conditions that ensure a reduction in the borrower's debt burden, taking into account his social and financial status, with documentary confirmation by the borrower of the circumstances that led to non-fulfillment of obligations under the current terms of the microcredit agreement.

During the period of consideration by the microfinance organization of the application provided for in paragraph 2 of Article 9-2 of the Law on Microfinance Activities, the microfinance organization shall not demand early repayment of the microcredit.

When a microfinance organization decides to agree with the proposed changes to the terms of the microfinance agreement, the procedure and terms for making changes to the terms of the microfinance agreement shall be determined by the internal document of the microfinance organization, while the period for making the changes shall not exceed 15 (fifteen) calendar days from the date of adoption of such decision by the microfinance organization.

This term shall not apply to cases preventing amendments to the conditions of the microcredit agreement due to reasons beyond the control of the microfinance organization and may be extended until they are eliminated.

When a microfinance organization sends its proposals to change the terms of the microfinance agreement, the deadline for submitting a response by the borrower to the conditions proposed by the microfinance organization for changing the microfinance agreement shall be indicated in the letter of the microfinance organization and shall be at least 15 (fifteen) calendar days from the date the borrower receives the decision of the microfinance organization.

Failure to reach a mutually acceptable decision between the microfinance organization and the borrower within 30 (thirty) calendar days from the date of receipt of the microfinance organization's decision under subparagraph 2) of part one of this paragraph shall be deemed a refusal to amend the terms of the microcredit agreement. This term may be extended with the consent of both parties.

If within twenty-four months from the date of overdue debt under a microcredit agreement not related to entrepreneurial activity, the procedure for debt settlement on terms ensuring the reduction of the borrower's obligation, including the complete cancellation of penalties (fines, fines), the assignment of the right (claim) to a collection agency shall not be allowed.

A microfinance organization shall provide the following information to the authorized body on regulation, control and supervision of the financial market and financial organizations on a quarterly basis not later than the 10th day of the month following the reporting quarter:

- 1) on considered applications of borrowers - natural persons, on amendments to the terms of the agreement on granting microcredit, in the form according to Annex 2 to the Regulations;

- 2) on amendments made to the terms of the agreement on granting microcredit to borrowers - natural persons, in the form according to Annex 3 to the Regulations;

- 3) on the reasons for refusal to change the terms of the agreement on granting microcredit to individual borrowers, in the form according to Annex 4 to the Regulations.

Footnote. Paragraph 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 05.08.2024 № 49 (shall be enforced from 20.08.2024).

Chapter 3. Procedure for granting servicemen of compulsory military service a deferment of payment of the principal and remuneration for a period including the period of compulsory military service and sixty (60) days after its termination, without accrual of remuneration on a microcredit

Footnote. The Rules were supplemented with Chapter 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 05.08.2024 № 49 (shall be enforced from 20.08.2024).

7. The microfinance organization shall, within 15 (fifteen) calendar days from the date of receipt from the credit bureau of information on borrowers called up for compulsory military service (hereinafter referred to as the borrower - serviceman), grant under the agreement on granting a microcredit a deferment of payments on the principal debt and remuneration (hereinafter referred to as the deferment of payments) for a period, including the period of military service and 60 (sixty) days after its termination, without accruing interest on the microcredit, of which it shall notify the borrower - serviceman in writing, as well as through informatization objects or in the manner provided for in the agreement on granting a microcredit.

Deferral of payments shall be granted in a manner determined by the microfinance organization, with an increase in the microcredit term and preservation of the amount of payments, without signing additional agreements to the microcredit agreement or pledge agreement. The requirement to increase the term of the micro loan shall not apply to early repayment (repayment) of the microcredit.

In case of refusal to defer payments, the military borrower (a third party acting in the interests of the military borrower under a power of attorney) shall, within 14 (fourteen) calendar days from the date of receipt of the microfinance organization's notification, submit an application for refusal in writing, either through informatization facilities or in the manner provided for in the microcredit agreement.

The microfinance organization shall, within 15 (fifteen) calendar days from the date of receipt of this application, notify the borrower in the manner provided for in the microcredit agreement, as well as through information facilities or in the manner provided for in the microcredit agreement on the cancellation of deferred payments and resumption of accrual of interest on the microcredit.

If the borrower- serviceman is discharged from military service before the expiration of the term of military service under conscription, the microfinance organization shall, upon expiration of 60 (sixty) days from the date of his discharge from the military unit lists, terminate the deferment of payments and resume the accrual of interest on the microcredit, of

which it shall notify him in writing, as well as through informatization facilities or in the manner provided for in the microcredit agreement.

A microfinance organization shall not apply (suspend) the measures stipulated by subparagraph 1-1) of paragraph 1 of Article 7 and (or) paragraph 5 of Article 9-2 of the Law on Microfinance Activities against a borrower - a serviceman who is in arrears on the principal and/or accrued interest, for a period including the period of military service and 60 (sixty) days after its termination.

If the borrower-serviceman is discharged from military service before the expiration of the term of military service under conscription, the microfinance organization shall, upon expiration of 60 (sixty) days from the date of his exclusion from the military unit lists, resume application of the measures provided for by subparagraph 1-1) of paragraph 1 of Article 7 and (or) paragraph 5 of Article 9-2 of the Law on Microfinance Activities.

The requirements of this Chapter shall not apply to a microcredit agreement for which there is a judicial act that has entered into legal force, an executive inscription on the recovery of debt under a microcredit agreement, a settlement agreement or an agreement on dispute (conflict) resolution through mediation concluded for the settlement of debt under a microcredit agreement or for the execution of a judicial act on the recovery of debt under a microcredit agreement.

Annex 1
to the Rules for consideration
of amendments to the terms
of the microcredit agreement
dated July 16, 2021 № 82

Form

(Surname, Name, Patronymic of the borrower)

Address: _____

Refusal to amend the terms of the Agreement on granting a microcredit

Footnote. The Rules were supplemented with Annex 1 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 29.01.2024 № 6 (shall be enforced upon expiry of ten calendar days after its first official publication).

Joint Stock Company/Economic Partnership “_____”

(hereinafter referred to as the Creditor) with reference to your application dated ____.

(ref. № ____ dated ____.

On amendments to the terms of the Agreement on granting a microcredit

№ ____ dated ____ (hereinafter – the Agreement), hereby informs as follows.

In accordance with subparagraph 3) of paragraph 3 of Article 9-2 of the Law of the Republic of Kazakhstan

“On Microfinance Activities”, the Creditor refuses to change the terms and conditions of the Agreement

due to _____

_____.

(indicate the justification for the reasons of refusal)

Authorized person of the Creditor Surname, Name, Patronymic (if any)

*If the borrower has several microcredit agreements with an organization engaged in certain types of banking operations and (or) an organization engaged in microfinance activities, a waiver shall be granted for each agreement.

Annex 2
to the Rules for consideration
of amendments to the terms
of the microcredit agreement
dated July 16, 2021 № 82

Form

Information about applications of borrowers – individuals on amendments to the terms of a microcredit agreement considered by (name of organization) as of 1_____

(cumulative since the beginning of the reporting year)

Footnote. The Rules were supplemented with Annex 2 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 29.01.2024 № 6 (shall be enforced upon expiry of ten calendar days after its first official publication).

(sums in thousands tenge)

Loan type		Applications submitted					
		Total			of which the VSGs*		
		number of borrowers	number of agreements	amount of debt	number of borrowers	number of agreements	amount of debt
A		1	2	3	4	5	6
1.	Unsecured microloans						
1.1	of which microcredits complying with paragraph 3-1 of Article 4 of the Law						

	o n Microfinanc e Activities						
2.	Secured microcredits						
2.1	of which secured by mortgages						

* VSGs-vulnerable social groups according to Article 68 of the Law of the Republic of Kazakhstan “On Housing Relations” and persons receiving targeted social assistance.

Amendments were made to the terms of the microcredit agreement						Refused to amend the terms of the microcredit agreement					
Total			of which the VSGs			Total			of which the VSGs		
Nu mb er of borr owe rs	number o f agreeme nts	amount of debt	Number o f borrower s	number o f agreeme nts	amount of debt	Number o f borrower s	number o f agreeme nts	amount of debt	Number o f borrower s	number o f agreeme nts	am oun t of deb t
7	8	9	10	11	12	13	14	15	16	17	18
Applications under consideration						The microfinance organization has sent its proposals to amend the terms and conditions of the microcredit agreement , the borrower has withdrawn the submitted application, the borrower has refused to provide documents confirming the deterioration of his/her financial condition, the borrower has not signed the proposed amendments to the microcredit agreement (specify the necessary)					
Total			of which the VSGs			Total			of which the VSGs		
Number o f borrower s	number o f agreeme nts	amount of debt	nu mb er of borr owe rs	nu mb er of agr eem ents	amount of debt	number o f borrower s	number o f agreeme nts	amount of debt	number o f borrower s	number o f agreeme nts	amount of debt
19	20	21	22	23	24	25	26	27	28	29	30

Annex 3
to the Rules for consideration
of amendments to the terms
of the microcredit agreement
dated July 16, 2021 № 82

Form

**Information about
amendments to the terms of a microcredit agreement of borrowers – individuals**

(cumulative since the beginning of the reporting year)

Footnote. The Rules were supplemented 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 29.01.2024 № 6 (shall be enforced upon expiry of ten calendar days after its first official publication).

(sums in thousands tenge)

Loan type		Amendments made to the terms of the microcredit agreement					
		Total			of which the VSGs*		
		number of borrowers	number of agreements	amount of debt	number of borrowers	number of agreements	amount of debt
A		1	2	3	4	5	6
1.	Unsecured microloans						
1.1	of which microcredits complying with paragraph 3-1 of Article 4 of the Law on Microfinance Activities						
2.	Secured microcredits						
2.1	of which secured by mortgages						

* VSGs-vulnerable social groups according to Article 68 of the Law of the Republic of Kazakhstan “On Housing Relations” and persons receiving targeted social assistance.

Loan type		including in kind of:					
		abatement of debt					
		Total			of which the VSGs		
		number of borrowers	number of agreements	amount of debt	number of borrowers	number of agreements	amount of debt
A		37	38	39	40	41	42
1.	Unsecured microloans						
1.1	of which microcredits complying with paragraph 3-1 of Article 4 of the Law on Microfinance Activities						
2.	Secured microcredits						
2.1	of which secured by mortgages						

including in kind of:

borrowers	number of agreements	number of borrowers	amount of debt	number of borrowers	amount of debt	number of borrowers	amount of debt	number of borrowers	amount of debt	number of borrowers	amount of debt
55	56	57	58	59	60	61	62	63	64	65	66
including in kind of:											
remission of overdue principal debt and (or) interest, cancellation of penalties (fines, penalties), commissions and other payments											
Total						of which the VSGs					
number of borrowers	number of agreements	amount of debt	number of borrowers	number of agreements	amount of debt	number of borrowers	number of agreements	amount of debt	number of borrowers	number of agreements	amount of debt
31	32	33	34	35	36						
Applications are pending for applying improving conditions											
Total						of which the VSGs					
number of borrowers	number of agreements	amount of debt	number of borrowers	number of agreements	amount of debt	number of borrowers	number of agreements	amount of debt	number of borrowers	number of agreements	amount of debt
67	68	69	70	71	72						

Annex 4
to the Rules for consideration
of amendments to the terms
of the microcredit agreement
dated July 16, 2021 № 82

Form

**Information about the reasons for refusal by the (name of organization)
to amend the terms of a microcredit agreement of borrowers – individuals made as of 1 _____**

(cumulative since the beginning of the reporting year)

Footnote. The Rules were supplemented with Annex 4 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 29.01.2024 № 6 (shall be enforced upon expiry of ten calendar days after its first official publication).

(sums in thousands tenge)

Loan type	Refused to amend the terms of the microcredit agreement					
	Total			of which the VSGs*		
	number of borrowers	number of agreements	amount of debt	number of borrowers	number of agreements	amount of debt
A	1	2	3	4	5	6

1.	Unsecured microloans						
1.1	of which microcredits complying with <u>paragraph 3-1</u> of Article 4 of the Law on Microfinance Activities						
2.	Secured microcredits						
2.1	of which secured by mortgages						
Loan type		the borrower has a liquid collateral/deposit/other property (according to the microfinance organization's analysis or in the presence of a supporting document)					
		Total			of which the VSGs		
		number of borrowers	number of agreements	amount of debt	number of borrowers	number of agreements	amount of debt
A		31	32	33	34	35	36
1.	Unsecured microloans						
1.1	of which microcredits complying with paragraph 3-1 of Article 4 of the Law on Microfinance Activities						
2.	Secured microcredits						
2.1	of which secured by mortgages						

* VSGs-vulnerable social groups according to Article 68 of the Law of the Republic of Kazakhstan “On Housing Relations” and persons receiving targeted social assistance;

** Resolution of the Board of the National Bank of the Republic of Kazakhstan dated November 28, 2019 № 215 “On Approval of the Rules for Calculation and Limit Value of the Borrower's Debt Load Coefficient of an Organization Engaged in Microfinance Activities” (registered in the Register of State Registration of Regulatory Legal Acts under № 19670).

Including for reasons of:	

exceeding the maximum level of the borrower's debt burden ratio in case of deferred payments granting						failure by the borrower to provide documents confirming the worsening of his/her financial and social situation					
Total			of which the VSGs			Total			of which the VSGs		
number of borrowers	number of agreements	amount of debt	number of borrowers	number of agreements	amount of debt	number of borrowers	number of agreements	amount of debt	number of borrowers	number of agreements	amount of debt
7	8	9	10	11	12	13	14	15	16	17	18
Including for reasons of:											
the loan was fraudulently obtained in the borrower's name						The application was submitted by a third party without a power of attorney of the borrower					
Total			of which the VSGs			Total			of which the VSGs		
number of borrowers	number of agreements	amount of debt	number of borrowers	number of agreements	amount of debt	number of borrowers	number of agreements	amount of debt	number of borrowers	number of agreements	amount of debt
37	38	39	40	41	42	43	44	45	46	47	48
Including for reasons of:											
previously restructured/deferred (more than twice)						sufficient income of the borrower to meet obligations (as analyzed by the microfinance organization)					
Total			of which the VSGs			Total			of which the VSGs		
number of borrowers	number of agreements	amount of debt	number of borrowers	number of agreements	amount of debt	number of borrowers	number of agreements	amount of debt	number of borrowers	number of agreements	amount of debt
19	20	21	22	23	24	25	26	27	28	29	30
Including for reasons of:											
death of the borrower and failure to formalize inheritance rights						Other reasons for refusal to change the terms and conditions of the microcredit agreement (specify the reason)					
Total			of which the VSGs			Total			of which the VSGs		
number of	number of agreements	amount of debt	number of	number of	amount of debt	number of	number of	amount of debt	number of	number of	amount of

borrower s			borrowers	agreements		borrower s	agreements		borrower s	agreements	t of deb t
49	50	51	52	53	54	55	56	57	58	59	60