

IPAF Members' Achievements

Part II: Development of NPL

Institution	Type of Activity	Co-organizer/ Co-collaborator	Brief Description
FPL	<p>Since 2014, KAMCO has been advising the National Bank of Kazakhstan and the Fund on the reduction of the level of «non-performing» loans in the banking sector of the Republic of Kazakhstan.</p> <p>In the period from September 2015 to April 2016, the Knowledge Sharing Program (KSP) with the assistance of the Korea Development Institute (KDI) was an exchange of experience and knowledge between KAMCO, National Bank of Republic of Kazakhstan and the FPL.</p> <p>In January 2016, representatives of the National Bank of Kazakhstan and the Foundation were invited to Pusan, Republic of Korea, for the presentation of the KSP final report. In 2018, a Memorandum of Understanding was signed between the FPL and KAMCO</p>	KAMCO, National Bank of Kazakhstan, MoF	FPL will continue to build mutually beneficial cooperation with international financial organizations and similar organizations in other countries by maintaining a constant exchange of experience in the field of problem asset management.
	FPL also received technical assistance from IMF in 2018.	IMF	<p>IMF examined (1) corporate governance, structure and operations, (2) strategic directions, (3) legal environment, (4) existing portfolio and (5) Fund financing.</p> <p>Based on research data, as well as meetings with FPL staff and representatives of third-party organizations (NB RK, ADB, World Bank and others), the IMF mission sent a report with recommendations for the FPL.</p>
	In 2020, the Agency for Regulation and Development of the Financial Market (Agency - Regulator) initiated the creation of the Working Group on the Development of the Stress Assets Market in Kazakhstan.	The Working Group included representatives of Agency, National Bank of Kazakhstan (NBRK), FPL, Ministry of National Economy of Kazakhstan (MNE), and Ministry of Finance of Kazakhstan (MF RK), Association of Financiers of Kazakhstan (AFK), JSC	<p>As a result of the first stage of the project and work of the Working Group, Agency developed a Law of the Republic of Kazakhstan "On the introduction of changes and additions to some legislative acts of the Republic of Kazakhstan on the development of the market of stressful assets".</p> <p>The main objective of the Law is to create</p>

	<p>KPMG and Dentons, with the support of the European Bank for Reconstruction and Development (EBRD) served as consultants, for the development of stress market project.</p>	<p>«National Managing Holding «Baiterek»</p>	<p>a liquid market for market-based stressful assets and to involve them in the economic circulation by removing legal barriers to market access to stressful assets of a wide range of investors and ensuring working conditions subsidiaries of banks, collection agencies, service companies and microfinance organizations</p>
	<p>In 2022, Agency established a new Working Group on the creation of a digital platform and infrastructure for the implementation of stressful assets.</p> <p>As part of the work of the WG, consultants of the Agency (KPMG) developed a Methodological report on the creation of an electronic platform for the sale of distressed assets in Kazakhstan.</p> <p>This report has been prepared following a feasibility study (a joint project of Agency, NBK, EBRD) during which the existing ecosystem of NPL sales in Kazakhstan was assessed from a legislative, regulatory and organizational point of view</p>	<p>Agency, NBK, EBRD, KPMG</p>	<p>The analysis of international experience and a detailed study of existing digital platforms showed that it is advisable to use a hybrid approach, which involves the operation of several digital platforms that meet certain requirements.</p> <p>KPMG’s Methodological Report presents the specific requirements for each key process to be developed within each accredited Platform. Compliance with such requirements will be one of the key prerequisites for obtaining Agency accreditation.</p>
	<p>FPL was established in 2012 to assist in the recovery of the banking sector through the purchase of troubled assets from banks and their involvement in economic turnover. The only shareholder of the FPL is the Government of the Republic of Kazakhstan through the Ministry of Finance.</p> <p>With the participation of the FPL in Kazakhstan, a number of large transactions were realized for the purchase of troubled assets from banks, which allowed not only to ensure the recovery of banks themselves, but also to contribute to the development of the real sector of the economy.</p> <p>To date, the Fund has focused on the involvement of assets in economic turnover, which is implemented in three key areas - restructuring, debt collection and the sale of property.</p> <p>In order to ensure the maximum level of transparency and openness, assets are sold on the electronic trading platform under the Ministry of Finance of the Republic of Kazakhstan.</p>		