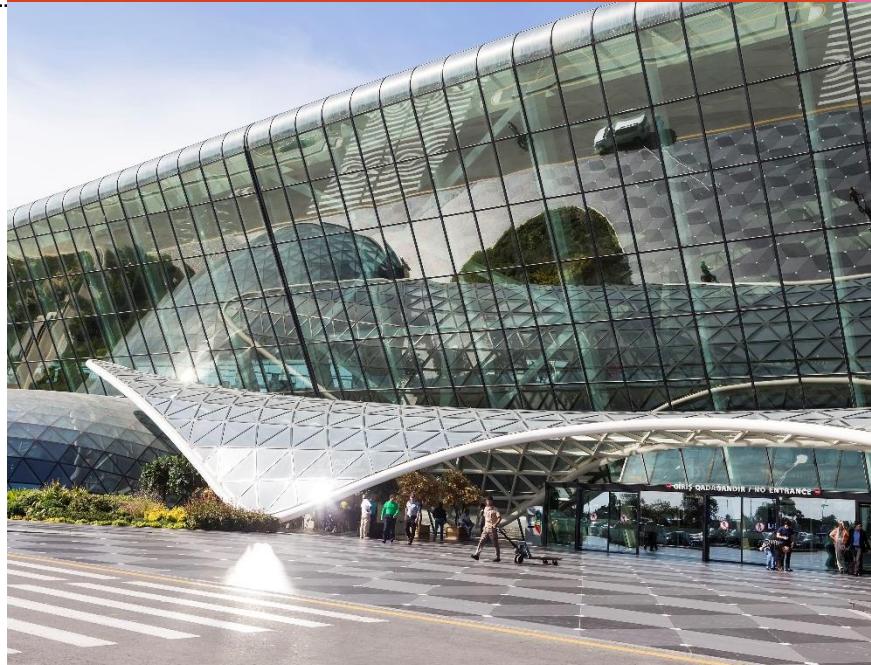


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Overview of this Issue:

- The regulations for non-performing (toxic) assets



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The regulations for non-performing (toxic) assets

These regulations are one of the important steps of the implementation of Strategic Road Map on the development of financial services. According to the new Regulations, the non-performing (toxic) assets are pledged assets in line with the regulatory acts of Financial Markets Supervision Chamber.

The opinion of Financial Markets Supervision Chamber on the assets considered toxic by the bank should be obtained 20 days prior to submission of these toxic assets.

Also, the Regulations indicate minimum requirements of contract submission on non-performing assets (for example, the contract should include amount, parties rights, obligations, etc.)

In addition, the Regulations have been prepared in line with article 164.1.36 of the Tax Code. According

to this clause, submission of non-performing (toxic) assets are implemented from 1 January 2017, for a 3 year period.