



Mazhilis approved the draft Law on development of the distressed assets market

Contacts

Timur Zhursunov
Partner
Tax and Legal Services
timur.zhursunov@pwc.com

Yerkebulan Rakhmenov
Senior Manager
Legal Services
yerkebulan.rakhmenov@pwc.com

Alima Syrayeva
Manager
Legal Services
alima.syrayeva@pwc.com

Zhanar Alikulova
Manager
Legal Services
zhanar.alikulova@pwc.com

If you are interested in additional information, please contact us.

In brief

Mazhilis approved the draft Law "On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Development of Distressed Assets Market" (the "Law").

In details

It is planned to amend a number of legislative acts, including the Law "On banks and banking activities in the Republic of Kazakhstan" dated 31 August 1995.

The existing list of authorized buyers of distressed assets is to be expanded by private investors. The Law stipulates for creation of the institution of service companies for maintenance of non-performing loans. At the same time, the rights under bank loan agreements could be transferred to service companies if the following conditions are simultaneously met:

- the size of the service company's charter capital and / or equity capital of the parent organization is not lower than the established minimum value;
- service company is carrying out activities for 3 years from the date of: issuance of permission to the bank or bank holding company to create a subsidiary by the bank acquiring doubtful and bad assets of the parent bank / inclusion of the collection agency in the register;
- the absence of (i) unfulfilled and / or existing measures of supervisory response or limited measures of influence applied by the authorized body, and (ii) administrative offenses;
- the first head of the service company does not have criminal history on record;
- compliance of the service company with the requirements established by the authorized body.

In turn, the authorized body will maintain a register and post information on service companies that meet the established requirements on its Internet resource.

Are you interested in this topic?

We would be pleased to discuss with you the above information and how it can impact your business.

If you are interested in additional information, please contact PwC specialists working as part of a group serving your company, or to any of the persons listed.

