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CENTRAL BANK TRANSPARENCY CODE REVIEW

August 2026

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July 14, 2026

DETAILED REVIEW REPORT

Prepared By

Monetary and Capital Markets Department

This report was prepared based on the work of an IMF mission to Astana and Almaty in March 2025. The IMF team for the Central Bank Transparency Code (CBT) Review mission was led by Altynai Aidarova (CCAMTAC) and comprised Matevz Zbasnik (FIN) Deputy Mission Chief; Thiago Christiano Silva (MCM); Chia Yi Tan, Bernard J. Laurens, Lawrence Schembri (IMF External Experts); and overseen by the Monetary and Capital Markets Department, IMF.

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The team extends its warm appreciation to the Board, senior management, and staff of the National Bank of Kazakhstan, who provided excellent cooperation, and to outside stakeholders for their valuable views and insights.

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Glossary

AC	Audit Committee
AFSA	Astana Financial Services Authority
AIFC	Astana International Financial Center
AML/CFT	Anti-Money Laundering/Countering the Financing of Terrorism
ARDFM	Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market
BIS	Bank for International Settlements
CBT	Central Bank Transparency
CCyB	Countercyclical Capital Buffer
CIS	Commonwealth of Independent States
CSD	Central Securities Depository
EBRD	European Bank for Reconstruction and Development
ELA	Emergency Liquidity Assistance
FSAP	Financial Sector Assessment Program
FSB	Financial Stability Board
FSC	Financial Stability Council
FSR	Financial Stability Report
FX	Foreign Exchange
GDP	Gross Domestic Product
IAPOC	Independence of Accountability, Policy, Operational Strategy, and Communications
IAS	International Auditing Standards
IDB	Interactive Database
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IOSCO	International Organization of Securities Commissions
IT	Inflation Targeting
KASE	Kazakhstan Stock Exchange
KMG	KazMunayGas
LCR	Liquidity Coverage Ratio
LLM	Large Language Model

LOLR	Lender of Last Resort
LTV	Loan-to-Value Ratio
MOU	Memorandum of Understanding
MPC	Monetary Policy Committee
MPR	Monetary Policy Report
NBK (NBRK)	National Bank of Kazakhstan
Q&A	Questions and Answers
QPM	Quarterly Projection Model
RCD	Risk and Compliance Department
SRC	State Revenue Committee
TONIA	Tenge Overnight Index Average

EXECUTIVE SUMMARY

Since the transition to inflation targeting (IT) in 2015, the National Bank of Kazakhstan (NBK) has substantially improved its transparency and communication practices. The NBK commitment to transparency is embedded in strategic documents—the 2030 Monetary Policy Strategy, Communication Strategy, and Macroprudential Policy Strategy. Stakeholders consistently acknowledged the NBK as a national leader in promoting transparency, commending its proactive stance on openness, timely dissemination of information, and strong commitment to constructive engagement with the public and institutional partners.

With few exceptions, the NBK's transparency practices overall fall within core and expanded practices of the Central Bank Transparency (CBT) Code. The legal and institutional framework of the NBK provides a solid foundation for transparency, with a clear mandate for price stability and well-defined governance arrangements. That said, public information on how governance and accountability arrangements work in practice remains limited. Enhancing transparency on governance and accountability practices, external and internal audit arrangements, and risk management would strengthen public trust. Other gaps include limited transparency on financial autonomy, confidentiality policies, and the Bank's relationship with its subsidiaries and other domestic agencies.

The Bank demonstrates relatively strong transparency in monetary and foreign exchange (FX) policy, reserve management, FX administration and external communications. The NBK clearly communicates its monetary policy objective, policy decisions, operations and analytical framework. However, improvements could include publishing non-attributed summaries of Monetary Policy Committee (MPC) deliberations to illustrate the diversity of views, and the uncertainty associated with policy decisions. The recently introduced policy rate projection charts—now included in the quarterly Monetary Policy Reports (MPRs)—would be better placed in such summaries. The NBK could also improve transparency by expanding the set of published alternative scenarios beyond oil price assumptions to better highlight policy trade-offs. Finally, while the monetary policy operational framework is fully disclosed, its complexity is a challenge.

Transparency in financial stability and macroprudential policy is uneven. While the NBK publishes comprehensive information on financial stability risks and macroprudential measures, there is limited disclosure on how these policies are implemented or evaluated. This is particularly evident in the treatment of stress testing: the Financial Stability Report (FSR) discusses key risks but does not include the results of top-down stress testing exercises. To close this gap, the mission recommends publishing the methodology, scope, scenarios, assumptions, and underlying data.

The NBK's communication tools are extensive and diversified, targeting a broad audience through its website, press briefings, reports, and social media. Quantitative benchmarking analysis confirms that the structure, readability, and forward-looking orientation of NBK publications are broadly in line with peer central banks. However, FSRs remain largely backward-looking and relatively complex. Enhancing the accessibility, forward-looking content, and clarity of key publications will support the NBK's goals of building trust.

Table 1. Kazakhstan: Central Bank Transparency Overview for National Bank of Kazakhstan

Pillar	Principle	Sub-principle		Practices		
				Core	Expanded	Comp.
I. Governance	1.1.	**Legal Structure**				
	1.2.	**Mandate**				
	1.3.	**Autonomy**	1.3.1. Institutional/Operational			
			1.3.2. Functional			
			1.3.3. Personal			
			1.3.4. Financial			
	1.4.	**Decision-Making**				
	1.5	**Risk Management**	1.5.1. Risk Exposure			
			1.5.2. Risk Framework			
	1.6	**Accountability Framework**	1.6.1. Arrangements			
			1.6.2. Tools			
			1.6.3. Anti-Corruption/COC			
			1.6.4. Human Capital Management			
	1.7.	**Communication**	1.7.1. Arrangements			
			1.7.2. Strategy/Tools			
	1.8.	**Confidentiality**				
II. Policies	2.1.	**Monetary Policy**	2.1.1. Objectives/Framework			
			2.1.2. Policy Decisions			
			2.1.3. Supporting Analysis			
	2.2.	**FX Administration**	2.2.1. Objectives/Framework			
			2.2.2. Policy Decisions			
			2.2.3. Supporting Analysis			
	2.3.	**FX Management**	2.3.1. Objectives/Framework			
			2.3.2. Policy Decisions			
			2.3.3. Supporting Analysis			
	2.4.	**FX Reserve Management**	2.4.1. Objectives/Framework			
			2.4.2. Policy Decisions			
			2.4.3. Supporting Analysis			
	2.5.	**Macroprudential**	2.5.1. Objectives/Framework			
			2.5.2. Policy Decisions			
			2.5.3. Supporting Analysis			
	2.6.	Microprudential Supervision				
	2.7.	**Emergency Liquidity Assistance (ELA)**	2.7.1. Market-wide Liquidity Support			
			2.7.2. Bilateral Liquidity Support			
	2.8.	Resolution				
	2.9.	FMI				
	2.10.	**Financial Integrity**	2.10. (a) AML/CFT supervision			
			2.10. (b) Internal AML/CFT controls			
	2.11.	**Consumer Protection**				
III. Operations	3.1.	**Monetary Policy**	3.1.1. Instruments			
			3.1.2. Coverage			
			3.1.3. Access			
	3.2.	**FX Administration**	3.2.1. Instruments			
			3.2.2. Coverage			

Table 1. Kazakhstan: Central Bank Transparency Overview for National Bank of Kazakhstan (continued)

	3.3.	**FX Management**	3.3.1.	Instruments			
			3.3.2.	Coverage			
	3.4.	**FX Reserve Management**	3.4.1.	Instruments			
			3.4.2.	Coverage			
			3.4.3.	Assessment			
	3.5.	**Stress Testing**	3.5.1.	FS Assessments			
			3.5.2.	ST Methods			
			3.5.3.	ST Coverage			
			3.5.4.	Use of ST Results			
	3.6.	**Macroprudential**	3.6.1.	Instruments			
			3.6.2.	Enforcement			
	3.7.	Microprudential Supervision					
	3.8.	**ELA**	3.8.1.	Market-wide Liquidity Support			
			3.8.2.	Bilateral Liquidity Support			
	3.9.	Resolution					
	3.10.	FMI					
	3.11.	**Financial Integrity**	3.11. (a) AML/CFT supervision				
			3.11. (b) Internal AML/CFT controls				
	3.12	**Consumer Protection**					
IV. Outcome	4.1.	**Monetary Policy**	4.1.1.	Governance Actions			
			4.1.2.	Policies			
			4.1.3.	Operations			
	4.2.	**FX Administration**	4.2.1.	Governance Actions			
			4.2.2.	Policies			
			4.2.3.	Implementation			
	4.3.	**FX Management**	4.3.1.	Governance Actions			
			4.3.2.	Policies			
			4.3.3.	Operations			
	4.4.	**FX Reserve Management**	4.4.1.	Governance Actions			
			4.4.2.	Reporting on Imp.			
			4.4.3.	Financial Results			
	4.5.	**Macroprudential**	4.5.1.	Governance Actions			
			4.5.2.	Policies			
	4.6.	Microprudential Supervision					
	4.7.	**ELA**	4.7.1.	Market-wide Liquidity Support			
			4.7.2.	Bilateral Liquidity Support			
	4.8.	Resolution					
	4.9.	FMI					
	4.10.	**Financial Integrity**	4.10. (a) AML/CFT supervision				
			4.10. (b) Internal AML/CFT controls				
	4.11.	**Consumer Protection**					

Table 1. Kazakhstan: Central Bank Transparency Overview for National Bank of Kazakhstan (concluded)							
V. Official Relations	5.1.	**Government**	5.1.1.	Institutional			
			5.1.2.	Financial			
			5.1.3.	Instruments			
			5.1.4.	Outcome			
	5.2.	**Domestic Agencies**	5.2.1.	Institutional			
			5.2.2.	Instruments			
			5.2.3.	Macroprudential			
			5.2.4.	Financial Stability			
	5.3	**Foreign Agencies**	5.3				
	5.4	**Other Relations**	5.4.1.				
		Denotes "Not Applicable"			**Denotes "Not Implemented"**		

A. Key Recommendations[1]

1. Strengthen the transparency of certain aspects of its mandate, legal structure, and institutional and personal autonomy, by: (i) consolidating its functions, clarifying how these relate to its objectives, and specifying its powers to carry out these functions; (ii) clarifying whether the NBK Law prevails over other laws, the extent of judicial review over the NBK, the scope of legal protection available to the NBK, and the legislative process for reviewing its legal framework; (iii) disclosing the role of the President and the relationship between the NBK and the President; and (iv) clarifying the safeguards for the personal autonomy of members of decision-making bodies, including safeguards for security of tenure, as well as eligibility and disqualification criteria.

2. Enhance transparency on the NBK financial autonomy by including in the annual report or website an explanation, in layman's term, of the concept and rationale for the NBK financial autonomy, and the key elements and safeguards underpinning it: capital buffers, profit distribution rules, fiscal backing of the NBK, budget determination process, and prohibition of monetary financing of the government.

3. Streamline the communication framework and make it more accessible to the public, by providing information on institutional arrangement of communication policy; disclosing a summary of key documents and policies; simplifying communication messages and documents; and improving the website's accessibility and regular updates in all languages.

4. Further improve monetary policy transparency by publishing a non-attributable summary of MPC deliberations one or two weeks after a base rate decision, including a richer set of alternative risk scenarios in the MPR, and by making communications (both written and oral) more understandable as well as more accessible to a broader set of stakeholders. On the latter, it may be useful to integrate communications professionals earlier and more fully into the preparation of monetary policy communications. The NBK should also conduct ex-post evaluations of the accuracy of its inflation and output growth forecasts and of its monetary policy framework and its implementation.

5. Provide more information on NBK transactions in the FX market to strengthen the NBK's commitment to a market-determined floating exchange rate. The NBK is an active participant in the FX market, primarily acting as the government's agent. New and unusual transactions (e.g., The National Fund's purchase of JSC Kazatomprom in 2024) should be disclosed in more detail. The disclosure of volume data on NBK transactions in the FX market should be consistently classified (that is, clearly distinguish interventions to smooth excess exchange rate volatility from operations as the government's agent) and reported on a consolidated basis. For interventions to smooth excess exchange rate volatility, conduct and report analysis of the impact of the intervention

[1] Please refer to the Detailed Review Table in Annex I for the complete overview of principle wise transparency recommendations.

6. Disclose information on the assessment of financial stability more regularly, most notably by including systematically in the NBK Annual FSR the results of the top-down stress testing exercise performed by the NBK. Additionally, enhance public understanding of financial stability governance by publishing a summary of the FSC's semi-annual reports to the President of the Republic of Kazakhstan.

7. Strengthen the NBK credibility as a well-managed institution by including in the annual report an overview of the NBK accountability framework. This should cover Management Board oversight of external and internal audits, financial reporting, risk management, and internal controls. Also, disclose the role of various internal committees and publish relevant policies (or their summaries) on internal audit, external auditor selection, financial statement preparation; include relevant references to international standards.

8. In a similar vein, enhance risk management disclosures in the annual report by including in it a high-level overview of the overall approach to management of *all* key risks, including governance arrangements, risk appetite, strategies, and exposures. This should also cover lending operations, operational resilience, cybersecurity, and compliance to support institutional credibility and anchor good practices.

9. Further, expand disclosures in the annual report on anti-corruption measures and human capital management, including governance of staffing decisions, leadership succession, salary structures, and merit-based recruitment. Additionally, clarify the applicability of conflict-of-interest policies to decision-making bodies and other measures such as asset declaration requirements and cooling-off periods for departing officials.

10. Publish policy on confidentiality (or a summary of it). This should include classified information categories, justifications of confidentiality such as market sensitivity, banking secrecy and protection of personal information, and the process for handling public information requests.

11. Enhance the transparency of the NBK's relations with the Government, by: (i) disclosing in a structured manner its interaction and the services it provides, including its role, responsibilities, cooperation and coordination, and the outcomes from such interaction (e.g. by setting up a dedicated webpage); and (ii) publishing on a regular and comprehensive basis the instruments and institutional arrangements in its interactions with the Government, such as memorandums of understanding (MOUs), terms of reference etc., or include clear links to the relevant webpages disclosing such documents or information.

12. Enhance disclosures on the NBK subsidiaries and equity holdings by including in the annual report a description of the NBK group governance structures and its decision-making influence in subsidiaries and associated entities, and by providing context for equity investment in the Kazakhstan Stock Exchange and KazMunayGas (KMG).

SCOPE AND OBJECTIVE

13. In response to a request from the NBK, the mission conducted the CBT review. The scope of the review covers all CBT principles, excluding those that are not performed by the NBK (i.e., consumer protection, anti-money laundering/countering the financing of terrorism (AML/CFT) supervision)[2]or fall outside of the scope of CBT reviews, given the existence of established international standards (i.e., microprudential supervision and resolution, and Financial Markets Infrastructure). These principles are denoted as "Not Applicable" in the review.

14. The review is intended to allow NBK to evaluate its transparency practices, aimed at identifying its strengths and areas for improvement. The review maps the NBK's transparency choices compared to a range of best practices as detailed in the CBT, covering transparency in: (i) governance; (ii) policies; (iii) operations; (iv) outcomes; and (v) official relations. The review aims to help the NBK in further strengthening the dialogue with the stakeholders and finding the proper balance between independence and accountability. While it is important to note that the CBT review is not an assessment of central bank policies, the comprehensive review of transparency practices would be beneficial for the NBK in its efforts to advance policy effectiveness. The CBT's range of practices are not intended to be a tool for transparency ranking of central banks, as noted in the IMF Policy Paper Central Bank Transparency Code.

APPROACH AND METHODOLOGY

15. The mission's review approach consisted of a desk review and in-depth discussions with the NBK and its key stakeholders. The mission team conducted preliminary desk review based on the publicly available information. The complete Self-Review questionnaire was provided by the NBK only during the mission and did not cover all the principles assessed by mission.[3] These desk reviews formed the basis for discussions with NBK's management and staff, as well as meetings with the key stakeholders (from the public and private sector, including academia, think tanks and journalists).[4]The meetings facilitated understanding and collecting views on, and experiences with the NBK on its transparency practices. Around 30 meetings were conducted over the course of the mission. The meetings with key stakeholders were planned in coordination with the central bank, though NBK's staff did not attend those meetings. The team highly appreciated frank discussions and cooperation, including provision of self-review, documentation, technical support, as well as facilitating the mission meetings schedule, and extends its warm thanks to the staff of the NBK.

16. The review was conducted principle-by-principle, taking into consideration the relevant dimensions of transparency. The review maps the NBK's transparency practices across a

[2] Conducted by the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market

[3] The mission took place during March 6–17, 2025, and initiatives implemented after the review date have not been considered.

[4] See Annex II for the list of NBM's units and external stakeholders.

range of best practices and was reviewed in the context of the NBK's legal mandate and policy context, and prevailing general legal framework. The review also considered important dimensions of transparency, including: (i) timeliness; (ii) periodicity; and (iii) quality of disclosure. The latter is considered in terms of accessibility and ease of understanding, especially by the general public. The review also considered views expressed by the NBK stakeholders.

BACKGROUND

17. The legal framework governing the NBK is enshrined in the Constitution, the Law on the NBK, and the decrees of the President of Kazakhstan. The Law clearly stipulates price stability as the primary objective for the NBK, supplemented by the financial stability objective. The NBK Management Board,[5]the Governor, and the MPC are key decision-making bodies of the Bank. The NBK is fully accountable to the President of Kazakhstan. IMF staff have been supporting strengthening the NBK's governance arrangements, including through the recent desk review of the NBK Law focusing on the NBK's mandate, decision-making structures, autonomy, transparency and accountability, as well as a TA mission on modernizing the MPC. As a part of the ongoing engagement with the Fund, the authorities have expressed interest in strengthening the governance, transparency, and accountability of the NBK.

18. Since 2015, the NBK has transitioned to a "lite" IT framework, accompanied by the floating exchange rate arrangement.[6] The inflation target of close to 5 percent over the medium term was set in 2023 by the Management Board of the NBK. Inflation has remained elevated, the NBK forecasts inflation in 2025 is 10.5–12.5 percent. In 2026, due to the planned increase in the VAT rate from 12 percent to 16 percent, annual inflation will be in the range of 9.5–11.5 percent, with a subsequent decrease towards the target level (5.5–7.5 percent by the end of 2027). The NBK uses a number of operations, facilities and instruments generally to absorb persistent excess liquidity in the financial system. FX interventions and daily FX transactions are also occasionally carried out on behalf of the National Fund and the Unified Accumulative Pension Fund. NBK's overall monetary policy framework is transparently communicated and regularly discussed with stakeholders through formal documentation and established communication channels. However, NBK Monetary Policy Strategy does not include explicit information/timeline in case of the renewal of the NBK target. Although, de-facto 2023 inflation target change was extensively communicated to ensure public understanding and the rational of the renewal of the inflation target.

19. Since 2020 the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Markets (ARDFM) has become solely responsible for the regulation and supervision of the financial sector, including bank and non-bank credit organizations. The banking sector, which accounts for a sizeable share of the financial system, remains sound and

[5] which includes the representatives of Presidential Administration, the Ministry of National Economy, the Ministry of Finance, and the Agency for Regulation and Development of Financial Market

[6] According to IMF's Annual Report on Exchange Arrangements and Exchange Restrictions 2022. Staff Report for 2024 Article IV Consultations (Informational Annex) issued in January 2025 states that Kazakhstan has de jure exchange rate arrangement is free floating, and its de facto exchange rate arrangement is classified as floating.

resilient. The 2023 Financial Sector Assessment Program (FSAP) highlighted several challenges stemming from rapid growth of consumer lending, increased market concentration and state footprint, related party lending, stock of legacy problem assets, and existing gaps in financial sector regulation. Building on the FSAP recommendations, the authorities made a strong effort to strengthen financial-supervisory architecture, enhance the autonomy of the ARDFM and to work on building a full-fledged framework for bank resolution and consolidated and risk-based supervision. Another key counterpart, Astana International Financial Center (AIFC), currently has certain constraints on providing services to residents. The NBK and AIFC has established interagency coordination and mechanisms for collaboration to ensure financial stability.

20. The NBK develops and implements macroprudential and other measures to promote financial system stability. In close cooperation with the ARDFM and other state institutions, the NBK closely monitors financial stability by identifying risks and vulnerabilities both at individual bank and system level. Since 2006 the NBK has been publishing the Annual FSR as the main communication tool on financial stability, which includes key information on the global and domestic environment, potential risks and vulnerabilities that may impact the financial system and information on decision of the Financial Stability Council (FSC). The NBK Governor is the Chairman of the FSC of the Republic of Kazakhstan, which is an inter-agency coordination institution to ensure financial stability. The Council considers issues related to macroprudential policy, preventing, reducing or eliminating risks that threaten financial stability, resolutions of insolvent banks and financing of measures to rehabilitate the banking sector.[7]

21. The NBK is committed to openness and transparency, having significantly enhanced its communication practices in recent years.[8] The index of Independence and Accountability, Policy, Operational Strategy, and Communications (IAPOC)[9] shows that communication framework in Kazakhstan had improved and in 2020 was slightly below the average level in peer emerging economies. The NBK recently approved 2030 Central Bank Communication Strategy sets consistent institutional framework, principles and communications channels to foster credibility and public trust.

22. Despite active and extensive engagement with stakeholders, understanding of NBK decisions and credibility of its actions is not yet fully achieved. The key communication channels are website, social media, press-releases and other published materials, and flagship reports (MPR and FSR). To ensure two-way communication with its audiences the NBK conducts surveys where stakeholders confirm the need for targeted and simplified communication. The October 2024 IMF TA mission identified a few areas for improving communication practices at NBK and recommended involving Communication Department in preparing a policy communication toolkit, timely publication, and disclosing the MPC deliberations.

[7] According to Law of the Republic of Kazakhstan about Financial Stability Council, No. 220, December 18, 2019.

[8] T. Poghosyan et al. "**Strengthening Monetary Policy Frameworks in the Caucasus and Central Asia.**"

[9] Unsal, Papageorgiou, and Garbers (2022).

MAIN FINDINGS

A. Pillar I. Transparency in Governance

Legal Structure, Mandate, and Decision-making

23. The mandate and overall legal structure of the NBK, including its legal framework and nature are well disclosed. However, although the regulations section of the NBK website contains the key legislative documents and regulations, these are not available in the English. The website also provides no explanation to the general public on the general legal framework of the NBK, including whether the NBK Law prevails over other laws, the extent of judicial review and legal protection applicable to the NBK, and the legislative process for reviewing its legal framework. The website and Annual Report lack clear descriptions on the relation between the NBK's objectives, functions and powers. Further, although the NBK Law clearly stipulates the price stability objective of the NBK, the recent sharing of the financial stability mandate with the ARDFM brought less clarity regarding the respective roles and coordination between the two institutions.

24. The governance arrangements of the NBK are clearly defined, and its institutional autonomy is enshrined in the law. The NBK Law provides that the NBK shall be independent in its activities within the powers granted to it by the laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan, and representative and executive authorities shall not have the right to interfere in the activities of the NBK on the implementation of its legislatively enshrined powers. There is limited level of transparency around the NBK's governing legislation, its implementation and guidance on eligibility and incompatibility criteria for the Governor and Deputy Governors, nor on the permissible grounds for their dismissal. Further, although the NBK has to take into account the economic policy of the Government in its activities, this is only if it does not contradict the performance of its functions and the implementation of monetary policy. On the other hand, representatives of the President, the Government and the Agency are *ex-officio* members of the Management Board with a right to vote. The public disclosure of the NBK's coordination of its activities and interaction with the Government could further enhance transparency practices surrounding the autonomy of the NBK and reflect the institutional autonomy accorded to the NBK under the law.

25. The NBK could reinforce its financial autonomy by clearly explaining its rationale in relation to its mandate and the key elements underpinning it. While the NBK Law outlines provisions on financial autonomy, its concept and justification are not articulated in NBK publications. To enhance transparency, the NBK could use its website or annual report to explain the concept and the rationale behind its financial autonomy, including capital buffers, profit distribution rules, budget determination processes, prohibitions on monetary financing, and fiscal support mechanisms in case of losses. Additionally, the NBK should consider clarifying the budget process and why retained losses in recent years were not covered by the state budget, as originally envisioned in the NBK Law. Such disclosures would strengthen public understanding and reinforce the NBK's financial autonomy.

Accountability Framework

26. Enhancing transparency of the NBK's accountability framework would strengthen public trust. While the NBK Law provides basic provisions on financial statements, internal and external audits, key accountability elements are defined through internal regulations and established practices. Greater transparency could be achieved by dedicating a section in the annual report to explaining the Management Board's oversight over financial reporting, external and internal audits, risk management, along with the role of the Board of Directors and internal committees. Expanding disclosures on internal audit function, its independence, reporting lines, and compliance with international standards would further enhance transparency. Additionally, publishing policies on internal and external audits, as well as financial statement preparation, on the NBK website would improve accessibility. The annual report could be strengthened by integrating financial statements and including a commentary on NBK's financial performance for the given year. As the central bank of Kazakhstan, the NBK plays a crucial role in ensuring macroeconomic stability and public confidence. Strengthening transparency in its accountability framework would reinforce its institutional credibility and support its independence.

27. NBK risk management disclosures could be expanded to provide a clearer overview of risk governance, key financial and nonfinancial risks, and their management. The 2023 annual report and financial statements provide a high-level overview of the developments in key financial risk exposures and developments in some operational risk management mechanisms. However, they lack an overview on the NBK's overall approach to managing risks, risk governance, risk appetite, and details on management of nonfinancial risks such as cybersecurity and business continuity. Also, the annual report does not mention the risks arising from the NBK's lending operations (e.g., subsidized mortgage lending). A more structured and detailed description of these areas would support NBK's credibility as a well-managed institution, and further anchor the broadly sound risk management practices.

28. NBK discloses key policies and practices on anti-corruption and human capital management but lacks transparency on governance and implementation. The NBK follows national anti-corruption laws and has internal policies on conflicts of interest, AML/CFT compliance, and whistleblowing. However, it is unclear whether these rules apply to members of its decision-making bodies, and there is no disclosure of asset declaration requirements, cooling-off periods for departing officials, or governance structures for resolving conflicts of interest. Similarly, while the 2023 annual report provides workforce statistics—including staff levels, recruitment, and training—it lacks details on leadership succession, governance of staffing decisions, salary structures, and whether recruitment and promotions are based on merit rather than political considerations. Expanding disclosures in the annual report, particularly by dedicating sections to anti-corruption measures and human capital management, or publishing separate reports on these topics, would enhance transparency, strengthen governance, and improve public trust in NBK's institutional integrity.

Communications

29. The NBK's communication policy has significantly improved in recent years, reflecting a more structured, transparent, and strategic approach to public engagement and policy communication. The NBK has formalized communication framework grounded in national legislation, strategic documents, and internal acts. In December 2024, the NBK adopted its first Communication Strategy through 2030, which serves as the foundation for a comprehensive Bank-wide institutional communication system. The Communication Strategy aims to build public trust in the NBK by strengthening awareness, transparency, institutional reputation, and financial literacy, while targeting trust at all levels—internal, inter-agency, government, and society. The NBK publishes its organizational structure, including an organizational chart that identifies the Communication Department, which reports directly to the Governor.

30. Broader disclosure of internal communication arrangements, principles, roles, and responsibilities would enhance alignment with good transparency practices. The Communication Strategy is currently not publicly disclosed; however, to further enhance transparency a summary version may be considered for publication on a designated tab on the official website. While the Bank provides general information on its communications function and adheres to legal requirements for reporting and public access to data, it does not disclose detailed internal guidelines or procedures governing external communication. Finally, broader involvement of the Communication Department in policy discussions and core Bank activities would strengthen the alignment between communication efforts and strategic decision-making. While the Department is responsible for media relations and stakeholder engagement, it currently does not have a formal role in the NBK's Board of Directors—the Bank's main operational decision-making body.

31. While the NBK's level of information disclosure is relatively high, accessibility remains an area for improvement. Enhancing accessibility involves several dimensions: (i) using simplified, non-technical language and more infographics to present key content in a clear and engaging way; (ii) ensuring the timely and consistent updating of the website in all three official languages—particularly the titles and headings of documents and messages in English, which are currently missing for most of publications; and (iii) revamping the website to improve navigation and overall user experience. Timely publication of key policy decisions (e.g., Chairman's Statement) and policy documents/reports (MPR in English is published with a big gap) simultaneously in all three languages is considered good practice and significantly enhances the accessibility of information for a broader audience. These enhancements would help strengthen public engagement and improve understanding of the NBK's policies and functions.

32. The NBK has clearly identified its target audiences and uses a wide array of communication tools to engage them effectively. These include the official website, press releases, policy briefings, press conferences, video summaries of policy decisions, and active use of social media platforms (Facebook, Instagram, YouTube, Telegram, and TikTok). The Bank also regularly publishes statistical data, analytical reports, surveys, and research publications. Communication channels are tailored to distinct stakeholder groups—such as the media, general public, financial sector, government bodies, academia, and international partners—through a

combination of digital, print, and in-person engagement, supporting more targeted and impactful outreach.

33. Benchmarking[10] analysis, using quantitative techniques,[11] shows that NBK's communication products are broadly aligned in length and frequency with peer inflation-targeting central banks. The NBK's communication efforts have broadened in scope, with an expanding audience beyond the traditional financial sector. While financial market participants remain a primary focus, the Bank has increased its outreach to businesses, households, and international stakeholders, reflecting a more inclusive communication strategy. Since adopting IT, communication has become more forward-looking—particularly in monetary policy decisions, which now exceed the median peer level—while FSRs remain largely backward-looking and increasingly complex. Despite the relatively long length of some reports, overall readability remains in line with peer countries. The NBK maintains a consistent and structured format in its policy decisions, which supports transparency and reduces misinterpretation. However, further improvements in the forward-looking content of financial stability communication and greater focus on readability and conciseness would enhance effectiveness and better align with international good practices.

Table 2. Kazakhstan: Readability and Size of NBK's Documents

	Current Size	Size Trend	Readability Score	Word Simplicity	Sentence Brevity	Sentence Structure Simplicity
Annual Reports	↓	↓	↑	↑	↑	↓
Financial Stability Reports	↑	↓	↑	↑	↑	↓
Monetary Policy Reports	↓	↓	≈	↑	↓	↑
Monetary Policy Decisions	≈	↓	≈	≈	≈	↑

Source: NBK and IMF mission calculations.

Note: ↑ (Increase/Improvement), ↓ (Decrease/Deterioration), ≈ (Stable/Similar). Current size, readability score, word simplicity, sentence brevity, and sentence structure simplicity are compared against the median emerging inflation-targeting economy. The size trend indicates the change in the size of the document observed in the last three years. Green (red) arrows indicate better (worse) readability features. A linear combination of the word simplicity (inversely proportional to the average syllable in a word) and sentence brevity (inversely proportional to the number of words in a sentence) gives the readability score. The sentence structure simplicity is a standalone measure of syntactic complexity.

[10] Benchmarked against inflation-targeters with different levels of economic development as well as against specific countries.

[11] Readability indices, semantical analysis and textual metrics.

Confidentiality

34. The NBK currently does not have a publicly available confidentiality policy. While the public can request information through the NBK website and the E-Otinish platform—both effective tools for access to information—the criteria governing disclosure remain unclear. The NBK's handling of confidential information is regulated by various laws and internal regulations, but it is not publicly specified what information can be disclosed and what must remain confidential due to legal restrictions, market sensitivity, or jurisdictional limitations (e.g., when the competency lies with another agency such as the Agency for Regulation and Development of the Financial Market). Developing and publishing a confidentiality policy or summary would improve transparency by clarifying disclosure criteria, legal justifications, and procedures for handling information requests.

B. Pillars II, III, and IV. Transparency in Policies, Operations, and Outcome

Monetary Policy

35. The NBK's monetary policy framework is well disclosed, but the public's understanding of it could be facilitated by making communication more accessible. The NBK discloses its monetary policy framework, comprising the objective (price stability), the base rate policy instrument, and its strategy to achieve its objective. The framework is well understood by more sophisticated external stakeholders, but less so by the public. The NBK has recently streamlined the MPR and other communications vehicles to make them more accessible. It also uses social media, as well as media interviews and podcasts with MPC members to deliver key messages to a wider audience. Despite these efforts to build understanding and trust with the public, more needs to be done to improve accessibility and expand outreach, including by working with other agencies to improve financial literacy.

36. The NBK has significantly increased the transparency and accountability of its monetary policy decisions over time by improving the quality of its communications vehicles and publishing model-based forecasts. The NBK has eight monetary policy decisions per year, each accompanied by a press release and a Monetary Policy Statement, explaining the decision, and by a press conference shortly thereafter with the Governor and two Deputy Governors with a question-and-answer period. The day after the decision there is a briefing for market analysts and other experts led by a Deputy Governor with Department Heads present to answer more technical questions. The NBK also publishes a quarterly MPR about two weeks after four base rate decisions. The MPR provides an extensive analysis of the global and domestic economic developments and outlooks, two alternative scenarios, risk analyses and topical analytical boxes. The MPRs contain a complete economic forecast, including underlying assumptions and forecasts of oil and cereal commodity prices, inflation, and output growth. The NBK also hosts quarterly meetings of monetary policy experts to explain its policy and gather their feedback. The NBK should conduct *ex-post* evaluations of the accuracy of its inflation and output growth forecasts, and of its monetary policy framework and its implementation.

37. The NBK should publish a non-attributed summary of the MPC deliberations. MPC deliberations focus on the central forecast and the risks around it. The MPC takes votes on each base

rate decision, these votes are neither published nor are minutes provided to explain the rationale for these votes. External stakeholders often cited this as an important gap in the NBK's monetary policy transparency. Disclosing information about the MPC's members' views in a non-attributed summary of deliberation would help illustrate the uncertainty around the MPC's decisions, especially at turning points in the policy rate cycle. The MPC had an important innovation in monetary policy transparency in 2024: it started publishing charts in the August MPR showing the range and median of MPC members' expected paths for the base rate over the three-year forecast horizon. These charts would be a better fit in a summary of MPC deliberations, than in the MPR, because the summary would speak directly to the different views of MPC members.

38. The MPC should use a richer set of alternative or risk scenarios in the MPR. NBK staff regularly produce a set of alternative scenarios around the base case or central scenario for the MPC, but they only publish two scenarios in every MPR: an optimistic and a pessimistic oil price scenario. External stakeholders would find it helpful if the NBK were to publish other scenarios. As Ben Bernanke (see link here) has recently argued, such alternative (what if?) scenarios effectively communicate the uncertainty around the central projection and its conditionality on the maintained assumptions. Such scenarios could also be used to illustrate the NBK's monetary policy reaction function.

39. The NBK's operations to implement monetary policy are disclosed but they are complex and challenging for regular stakeholders to understand. The NBK's operations consist of several different operations and facilities, and of multiple instruments of varying maturities to manage persistent structural liquidity surpluses in the banking system. It has generally been successful in keeping the Tenge Overnight Index Average (TONIA) rate, the average overnight market repo rate, within the +/- 100 bp operating band of the base rate. A simpler monetary policy operational framework would be easier to communicate and more transparent. It would be beneficial if detailed regulations on monetary operations and reserve requirements are published and regularly updated in all three languages.

Foreign Exchange Administration and Cross-Border Financial Flows

40. The policy objectives, legal, and institutional frameworks for FX administration and the regulation of cross-border financial flows are clearly defined and disclosed. The policy on cross-border flows and FX administration is set in a Law of the Republic of Kazakhstan. The NBK is involved in its implementation (together with other relevant public agencies) in a capacity of "*main body of FX regulation in the Republic of Kazakhstan.*" To discharge its responsibility the NBK issues by-laws (NBK Board Resolutions) that are fully and timely disclosed on its website, with appropriate summary in its Annual Report. The NBK implementation tools for cross-border capital flow and FX administration policies, including the regulatory framework, licenses, reports, monitoring and enforcement instruments) are clearly explained. Accessibility of the wealth of information that is currently disclosed would benefit from adding a short description of the overall institutional framework in place, including the central role of the NBK, with links to all relevant NBK Board Resolutions. The addition of Q&A on the NBK website would also enhance accessibility of the information to a broad range of stakeholders.

Foreign Exchange Management

41. Kazakhstan has a floating exchange rate, but the NBK is an active participant in the FX market, acting as the government's agent. The floating exchange rate regime provides the necessary monetary independence for the NBK to achieve its inflation target and helps facilitate the domestic economy's adjustment to external shocks, primarily commodity price movements. The NBK generally abstains from active FX interventions to influence the value of the exchange rate, allowing it to be determined by fundamental market forces. However, the NBK undertakes transactions in the FX market for three reasons: to achieve the desired level and composition of official FX and gold reserves, to act as agent for the government, including for the National Fund and the Unified Pension Fund, and in exceptional circumstances, to smooth excess volatility in the exchange rate by restoring market liquidity and functioning. These motivations are published and well understood by market participants. The NBK strives to disclose these transactions and to minimize the impact of these government-related operations on the market. However, it is difficult for external stakeholders to understand fully these transactions, especially when they are new or unusual. The NBK should explain them in greater detail and report them on a consistent and consolidated basis.

Foreign Exchange Reserves Management

42. The NBK discloses the key objectives, risk exposure, governance with oversight responsibility, and investment structure of its FX reserve management actions. The combination of the detailed information disclosed in the NBK Investment Strategy, periodic updates on the adequacy, composition of liquidity parameters of the international reserves, and detailed information in the Annual Consolidated Financial Statements on the various risks parameters for the various portfolios (investment portfolio, strategic portfolio, liquidity portfolio, alternative instrument portfolio, and gold portfolio) results in a high level of transparency. Disclosures at a defined frequency and with sufficient time lag regarding the involvement of the Investment and Risks Committees in NBK's FX reserve management, composition of reserve assets, instruments, and risk exposures would enhance further transparency.

Macroprudential Policies

43. The institutional set up for macroprudential policy, its objectives, strategy and instruments are appropriately disclosed by the NBK who runs the Secretariat of the FSC of the Republic of Kazakhstan. Issues related to macroprudential policy raised in the IMF 2023 FSAP were discussed during the meetings of the expert analytical club that was started by the NBK in September 2024, including the conclusions of the FSAP exercise, as well as the plans to clarify the NBK's authority to establish macroprudential standards and limits.

44. The annual NBK FSR does not systematically offer a comprehensive assessment of financial stability issues. While the FSR discusses some relevant risks to the stability of the banking sector, the non-systematic integration of the results of the top-down stress testing exercise conducted by the NBK is a substantial gap that limits overall transparency of NBK's actions in the areas of macroprudential and financial stability frameworks. The NBK should also disclose information on methodology and scope of its stress test exercise, including the assessment of

financial stability more regularly and publish meaningful information on stress testing, including the modalities, scenarios, assumptions, and underlying data, compatible with data protection rules. It should also strengthen the disclosure of the FSR by discussing it in a financial stability forum, inviting relevant stakeholders.

Emergency Liquidity Assistance

45. NBK's Emergency Liquidity Assistance (ELA) framework is well-established and disclosed through the NBK's official website and legal databases. The NBK's role as lender of last resort (LOLR) is defined in Article 51-3 of the NBK Law and further operationalized through joint regulations with the financial supervisory authority (ARDFM). The ELA framework is governed by six core principles: financial stability objective, targeted use, solvency requirement, full collateralization (including prepositioned non-market assets), market-based terms, and ongoing monitoring. ELA is available at the NBK's discretion to solvent, well-capitalized, but temporarily illiquid banks, as well as to systemically important financial infrastructure institutions. Confidentiality requirements are outlined in the ELA Rules, and disclosure of bilateral support is permitted only with written consent of the parties or as mandated by law.

46. Since the adoption of the current ELA framework in 2020, no bilateral ELA has been granted. According to the terms and conditions of the Agreement on General Terms for Providing a Loan of Last Resort, information about transactions under the agreement may not be disclosed by the parties without a written permission of the parties to the agreement (the NBK, the ARDFM, the bank). The NBK has not provided market-wide liquidity support under the ELA framework since its inception, though such support was offered during the COVID-19 pandemic through targeted refinancing and monetary liquidity operations. These were disclosed in the NBK's Annual and MPRs. While NBK's ex-post communication approach appears appropriate, a formal communication strategy for ELA operations, including ex-post disclosure and simulation-based preparedness, would strengthen alignment with international transparency practices. The Annual Report could be used as a vehicle to disclose de-identified, aggregate information on repaid ELA support, when applicable. The NBK should disclosure information on contribution of the ELA framework to the overall financial stability.

Financial Integrity

47. The NBK does not undertake "external" AML/CFT supervision. No details on the internal AML/CFT controls to mitigate any ML/TF risks arising from its own operations, their oversight, or resources allocated to the implementation of the framework are disclosed publicly. Publication of an overview of potential ML/TF risks and the corresponding internal AML/CFT controls framework, with appropriate security and confidentiality safeguards will enhance NBK's transparency framework.

C. Pillar V. Transparency in Official Relations

Relations with the Government

48. The relationship between the NBK and the Government and President is expressly stipulated in the law. However, there is a lack of clarity with regard to how this relationship or interaction operates in practice, in particular in relation to the NBK's role as banker, financial adviser and agent of the Government. Information on its policies and terms and conditions governing its transactions with the Government and how the NBK is implementing or carrying out such functions is not readily available on its website or other publications, nor is information on agreements or MOUs with the Government. Publication of such information would greatly enhance transparency in this area.

Relations with Domestic Financial Agencies

49. Greater clarity in the division of responsibilities between the NBK and the ARDFM on macroprudential policy and tools would enhance the public's understanding of the NBK's role in ensuring financial stability. The NBK's cooperation and coordination with other financial agencies, such as the ARDFM and Astana Financial Services Authority (AFSA), is disclosed to the public through the publication of interagency agreements, press releases, and reports. However, some important aspects lack clarity, particularly the division of macroprudential responsibilities between the NBK and the ARDFM and the mechanisms for interagency coordination in financial distress scenarios. While decisions of the FSC are published via press releases on the NBK website after each meeting, the FSC's semi-annual reports (or their summaries) to the President of the Republic of Kazakhstan are not publicly disclosed. Clarifying the delineation of responsibilities between the NBK and ARDFM—including through legal amendments—improving transparency in interagency crisis coordination and publishing a summary of FSC semi-annual reports to the President would enhance public understanding of financial stability governance. Publication of the *Memorandum of Understanding on Information Exchange*, which sets out the procedures and protocols for data sharing between institutions, would enhance transparency and clarify the framework governing inter-agency cooperation.

Relations with Foreign Agencies

50. The NBK Law envisions interactions with international organizations and other central banks and the NBK is transparent in its disclosure regarding these relationships. The NBK discloses both on its website and in its Annual Reports and other media its involvement in international and regional organizations and forums and publishes some bilateral cooperation agreements with other central banks.

Other Relations

51. The NBK discloses its ownership of subsidiaries and investments in financial institutions, but the exact nature of the relationship is not always clear. The NBK has numerous

subsidiaries that are responsible for some key functions of the NBK as well some ancillary functions. However, the governance structures and financial arrangements of these entities are not fully transparent. The NBK also holds equity stakes in the Kazakhstan Stock Exchange (KASE) and in KMG. While the NBK publishes financial statements detailing its subsidiaries, more information is needed on governance and oversight (see above). Also, the relationship between the NBK and KASE and KMG would need to be further elaborated, including the rationale for these investments relative to the NBK's price and financial stability mandate.

AUTHORITIES' RESPONSE TO DETAILED REVIEW REPORT

Table 3. Kazakhstan: National Bank of Kazakhstan Response to Key Recommendations from the CBT Review

IMF Recommendations	NBK Response
Strengthen the transparency of certain aspects of its mandate, legal structure and institutional and personal autonomy	Transparency in monetary policy stands out as particularly robust compared to other pillars, reflecting a strong commitment to openness and accountability. Assessment conducted by the International Monetary Fund has presented clear and practically applicable guidelines for further improvement of quality of communications in order to increase transparency index and efficiency of the communication channel as one of key elements of the monetary policy in the IT mode. All data and conclusions of the report regarding the assessment of communication aspects are relevant and reliable. As part of the assessment by IMF experts, after a comprehensive analysis and stakeholder survey, main strengths and areas for improvement in the communication regulators were noted. Strategic vision: enhancement of the NBK position as a transparent, reliable and independent institution through the broadcast of key messages in a clear and accessible form, taking into account specifics of each of the target audiences—participants in the professional market, stakeholders and decision-makers. Based on opinions of the IMF mission, the NBK press service highlights the following aspects as guidelines for further development of the communication approaches: 1. **Expansion of the access to information** about systemic risks, operations and institutional policy. Along with that, it is necessary to ensure a centralized and systematic, rather
Enhance transparency on the NBK financial autonomy	
Streamline the communication framework and make it more accessible to the public,	
Take further steps to improve monetary policy transparency	
Provide more information on NBK transactions in the FX market	
Disclose information on the assessment of financial stability more regularly, most notably by including systematically in the NBK Annual FSR the results of the top-down stress testing exercise	
Strengthen the NBK credibility as a well-managed institution by including in the annual report an overview of the NBK accountability framework.	
Enhance risk management disclosures in the annual report	

Table 3. Kazakhstan: National Bank of Kazakhstan Response to Key Recommendations from the CBT Review

Expand disclosures in the annual report on anti-corruption measures and human capital management	than fragmented, presentation. This will eliminate gaps and increase the level of trust in the posted information. 2. **Further streamline presentation forms** within the MP communication. At the same time, it is important to maintain a balance and ensure constant and systematic communication in a format accessible to the external environment without losing meaning and content. The main goal is to increase understanding of the logic of the regulator's decisions and their everyday life in the environment. In general, we assume that in the report, parts for improvement and assessment in terms of MP is first of all connected with the fact that under the IT regime, from the point of view of ensuring Transparency, the most innovative audience is the population, that is, the mass audience. Accordingly, measures to further simplify the forms within the MP communication will comply with the measures within the CBT assessment methodology. Meanwhile, for example, to evaluate transparency of the communication macroprudential policy, this parameter is not particularly significant, since in this area the main information counterparty is the professional market, which, according to findings of the surveys conducted by the Information and Communication Department—Press Service of the National Bank (sent to CCAMTAC during the evaluation), as well as results of interviews with stakeholders conducted by the IMF, is carried out at a fairly high level. 3. **Creation of a unified and convenient platform for access to all data about market transactions**. Today, this information (information messages about the currency market, statistics and data about transactions) is posted in different sections of the site and is not classified uniformly. This reduces their practical value for market participants. 4. **Development and more complete filling of the English-language version of the site** in order to expand an access to information for international organizations
Publish policy on confidentiality	
Enhance the transparency of its relations with the Government	
Enhance disclosures on the NBK subsidiaries and equity holdings	

Table 3. Kazakhstan: National Bank of Kazakhstan Response to Key Recommendations from the CBT Review	
	(investors, analysts, partners). Work on coordination is already underway: inquiries have been sent for translation of key materials, including about the base rate and macroprudential policy. 5. **Feedback from stakeholders**. The more systematic approach to collection, analysis and use of stakeholder feedback is needed through regular surveys and information meetings. This will help meet expectations of the society and the expert community when developing communication policy. 6. **#OpenNBK campaign.** Development of an open form of NBK consultative decisions continues: videos, infographics, interviews and visual explanations, making complex topics more accessible to the outside public and ensuring a high level of trust. The work has also begun on posting explainers on key and most popular statistics.

Annex I. National Bank of Kazakhstan Central Bank Transparency Code—Detailed Review

National Bank of Kazakhstan	
Pillar I—Central Bank Governance	
Principle 1.1.	**Legal Structure:** The central bank discloses its legal framework to the public in a manner that is clear and easily accessible.
Description	**Legal Framework:** The National Bank of Kazakhstan (NBK) discloses its legal framework to the public. The NBK's website and the legal information system of regulatory legal acts of the Republic of Kazakhstan by the Ministry of Justice, "Adilet" (https://adilet.zan.kz/eng/docs/Z950002155) set out the legislation applicable to the NBK, i.e., the Law "On the National Bank of the Republic of Kazakhstan" (NBK Law). There is another legislative act adopted by Decree of the President of the Republic of Kazakhstan "On approval of regulation and the structure of the National Bank of the Republic of Kazakhstan" which came into force on January 1, 2004 (Regulations), which provides further details about the structure and activities of the NBK (https://cis-legislation.com/document.fwx?rgn=23470). The official website of the NBK has a "Legislation" section, which includes all legislative acts about the NBK legal framework however as of March 17, 2025, the NBK Law and Regulations are only available in the Russian and Kazakh versions but not in the English version. The NBK Law does not define any transitional arrangements, nor does it specify which law prevails in the event that the provisions of the NBK conflict with those of other laws. However, the NBK clarified that the Law on Regulatory Legal Acts (https://adilet.zan.kz/eng/docs/Z980000213) provides a ranking of regulatory legal acts in Kazakhstan with the Constitution having the highest legal force, followed by laws, codes, then regulatory edicts of the President, and subsequently regulatory legal orders and regulatory legal resolutions of Ministers and other heads of central state bodies. Therefore, despite some overlap between the NBK Law and the Regulations, it is clear that in the event of any conflict between both laws, the provisions of the NBK Law would prevail. The NBK discloses when it plans to review its legal framework. This is a legislative requirement pursuant to the Law on Regulatory Legal Acts which requires the NBK to take into account suggestions of state and other bodies and organizations, as well as suggestions from the National Chamber of Entrepreneurs. An official Government website(https://legalacts.egov.kz/) provides the forum for public consultation of any legislation that is planned to be reviewed. The "Regulations" section of the NBK's website also contains sub-sections on "Public Review Draft Regulations" and "Press Releases

	Concerning the Draft Regulations" but these are not available in English. The NBK Bulletin (https://nationalbank.kz/ru/news/vestnik-nbk/rubrics/2303) available on the NBK website also publishes the regulatory legal acts developed by the NBK throughout that year and registered with the Ministry of Justice. **Legal Nature:** The NBK Law establishes its legal nature i.e.: • the NBK is the central bank of the Republic of Kazakhstan and represents the upper (first) level of the banking system of the Republic of Kazakhstan (Article 1); • the NBK is a state body, and is guided in its activities by the Constitution of the Republic of Kazakhstan, the NBK Law, other laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and international treaties of the Republic of Kazakhstan (Article 2); • it is a legal entity in the organizational and legal form of a republican state institution, has an independent balance sheet and, together with its branches, representative offices, departments and organizations, constitutes a single structure (Article 6). This is repeated in the Regulations i.e.: • the NBK is a government body directly subordinate and accountable to the President of the Republic of Kazakhstan (Clause 1); • the NBK together with its branches, representative offices and organizations constitute a single centralized structure with a vertical chain of command (Clause 2); • the NBK is the central bank of the Republic of Kazakhstan, represents the upper (first) level of the banking system of the Republic of Kazakhstan, carries out its activities in accordance with the Constitution and laws of the Republic of Kazakhstan, acts of the President and Government of the Republic of Kazakhstan, other regulatory legal acts of the Republic of Kazakhstan, as well as these Regulations (Clause 3); • the NBK is a legal entity in organizational and legal form of a republican state institution, has a seal with the image of the State Emblem of the Republic of Kazakhstan and its name in the state language, stamps, as well as its own emblem and forms of the established form (Clause 4); • the NBK enters into civil law relationships on its own behalf (Clause 5); • the NBK has the right to act as a party to civil law relations on behalf of the state if it is authorized to do so in accordance with the legislation of the Republic of Kazakhstan (Clause 6);

	• the NBK independently carries out on behalf of the Republic of Kazakhstan the right to own, use and dispose of the property assigned to it, which is on its balance sheet, in the manner determined by the legal acts of the NBK (Clause 25). **Legal Protection:** The extent of judicial review over the NBK's activities and its protection from pre-judgment attachments is not clarified in the NBK Law, but the NBK Law states that the NBK shall be liable for non-fulfillment of its obligations in accordance with the procedure established by the laws of the Republic of Kazakhstan (Article 72). The Administrative Procedural and Process-Related Code of the Republic of Kazakhstan (https://adilet.zan.kz/eng/docs/K2000000350 and also available on the NBK website in the Russian version) provides that administrative acts of the Government (including the NBK as a state body) related to the public can be reviewed by administrative courts.
Review	***Core*** **Legal Framework:** The NBK's website contains a list of the legal framework governing the NBK. However, the English version of the relevant laws and regulations are not available, and the legal framework is not clear on which law prevails in the event that the provisions of the NBK Law conflict with other laws. **Legal Nature:** The legal nature and ownership of the NBK are defined in the NBK Law and Regulations but are set out in various different provisions throughout the legislation. **Legal Protection:** Although the NBK is subject to judicial review, the extent of judicial review over the NBK's activities and its protection from pre-judgment attachment is not clarified in the NBK Law. There is also no explanation in the NBK Law, NBK website and Annual Report on the legal protection available to the NBK but the NBK clarified that there is no such express protection in the law.
Comments	Although there are third party websites such as the Ministry of Justice website (Adilet) which contain the relevant laws and regulations relating to the NBK and which are accessible to the general public, the NBK's transparency with respect to its legal structure could be further enhanced by providing on its website the comprehensive set, the English version in addition to the current available Kazakh and Russian versions, of all the relevant laws and regulations on the legal framework of the NBK. The ownership and legal nature of the NBK could also be disclosed on its website for better accessibility by the general public. Additionally, the website could explain in an easily understandable manner: (i) whether the NBK Law and/or Regulations prevail in the event of conflict with other laws; (ii) the extent of judicial review over its activities; (iii) the scope of legal protection afforded to the NBK in carrying out its different functions; and (iv) the

	legislative process in place, including stakeholder engagement, for any review of its legal framework.
Principle 1.2.	**Mandate**: The central bank discloses its mandate—including its objectives, functions, and legally defined powers—in a manner that is clear and easily accessible to the public.
Description	**Objectives:** The NBK Law sets price stability as the NBK's main objective (Article 7) whereby the NBK is the only body that determines and implements the state monetary policy (Article 29). This is reiterated in the Regulations which sets out the mission of the NBK as ensuring price stability in the Republic of Kazakhstan (Clause 14). This objective is also published on the NBK website (https://nationalbank.kz/en/page/o-nacionalnom-banke) and in its Annual Reports. The NBK Law also requires the NBK to take into account the economic policy of the Government in its activities and promote its implementation, if this does not contradict the performance of its main functions and the implementation of monetary policy (Article 22). The Monetary Policy Strategy of the Republic of Kazakhstan 2030, available on the NBK website, states that the NBK's reorganization by separating the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market, enabled the NBK to focus on ensuring price stability, while one of the Agency's functions became to assist in ensuring the stability of the financial system. The Strategic Plan of the NBK for 2024-2028 (https://nationalbank.kz/ru/news/strategicheskiy-plan-nbk/rubrics/2) on the other hand states that the mission of the NBK is to promote the improvement of the well-being of the population of the Republic of Kazakhstan by ensuring price stability and the stability of the financial system. This is echoed in the 2023 Annual Report which states that the NBK assisted in ensuring stability of the financial system, including jointly with the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market and the Government (ARDFM). The NBK Law (Article 51-1) also requires the NBK, independently or jointly with other state bodies, to develop and implement measures aimed at ensuring financial system stability, and further sets out the relevant measures to be taken by the NBK, Government and the ARDFM in their cooperation on the stability of the financial system. **Functions:** The NBK Law (Articles 2 and 7) states that the NBK ensures the development and implementation of the monetary policy of the state, the functioning of payment systems, carries out currency regulation and currency control, contributes to ensuring the stability of the financial system and conducts state statistics, as well as carries out, within its competence, state regulation, control and supervision of the financial market, financial organizations and other persons and in the field of financial legislation of the Republic of Kazakhstan, and other tasks in accordance with the laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan. These "tasks" are also repeated in the Regulations, which also sets out its functions as developing and implementing state monetary policy; issuing government securities; sole issuer of banknotes and coins of the national currency and organizing cash circulation; participating in ensuring the

	transportation, storage and collection of banknotes and coins; exercising control and supervision over compliance by licensees for exchange transactions with cash foreign currency and collection of banknotes and coins (Clause 16). The NBK Annual Report and website (https://nationalbank.kz/en/page/informaciya-o-nbk) list its tasks as development and implementation of the state monetary policy, ensuring functioning of payment systems, implementation of foreign exchange (FX) regulation and FX control, promotion of stability of financial system, and carrying out statistics activities in the area of monetary statistics and external sector statistics. A separate section on the website (https://nationalbank.kz/en/page/o-nacionalnom-banke) lists its functions as monetary policy, financial stability, currency regulation, payment systems and national currency. The website also goes into further detail of each function and what it entails. The NBK Law (Article 8) and Regulations (Clause 16) further set out a comprehensive list of the functions and powers of the NBK which includes, *inter alia*, developing monetary policy; issuing Government securities; issuing banknotes and coins; regulate and supervise payment systems; currency regulation and currency control; management of assets in foreign currency and precious metals; lender of last resort (LOLR); develop statistical methodology and carry out statistical observations including on balance of payments, international investment position and external debt; regulation of the financial market and financial organizations pursuant to the Law "On State Regulation, Control and Supervision of the Financial Market and Financial Organizations"; licensing of exchange transactions; participating in servicing the public debt of the Government; establish the official exchange rate of the national currency; provide banking services; carry out trust management of the National Fund of the Republic of Kazakhstan and other assets on the basis of trust management agreements with the Government; act as custodian of pension assets of the Unified Accumulative Pension Fund; cooperate with central banks and other supervisory bodies, international and other organizations for the exchange of confidential information for the implementation of control and supervisory functions; determine procedures for state-controlled joint stock companies, limited liability partnerships and state-owned enterprises of which the NBK is a shareholder. **Powers:** Various other provisions in the NBK Law set out the powers of the NBK such as those relating to reserve requirements (Article 32); issuance of short-term notes (Article 36-2); quantitative restrictions on bank operations (Article 37); issue, acceptance, sale and redemption, replacement and withdrawal of banknotes and coins (Articles 40, 43, 45); measures to ensure the stability of the financial system, form a macroprudential policy and loans of last resort (Articles 51-1, 51-2, 51-3), powers in relation to currency regulation and currency control (Art 56); transactions in foreign currency and precious metals (Article 57). The Regulations further authorize the NBK to develop regulatory legal acts binding on financial organizations and other individuals and entities; carry out inspections; and adopt normative and non-normative legal acts regulating the activities of legal entities in which the NBK is a founder or shareholder (Clause 17). The legal framework does not contain any prohibitions which prevent the central bank from conducting specific activities, although the

	NBK Law has a general provision stating that the NBK, when performing its tasks, should not be guided by the goal of making a profit.
Review	***Core*** **Objectives:** It is clearly disclosed in the NBK Law and Regulations that the NBK's objective is price stability. It is also clear that this objective prevails over promoting the implementation of economic policy of the Government. Further, some other documents state that the NBK also has a financial stability objective although this appears to be a function under the NBK Law. **Functions:** The NBK's functions are listed in several provisions in the NBK Law and Regulations, as well as on several different pages on the NBK website, and are conflated with its powers. There is also no clarity on the legal foundation in respect of its different functions on the website. **Powers:** Although the NBK Law has different Chapters for different functions and the powers linked to those functions, its powers are not clearly linked to its functions on the website.
Comments	The transparency of the NBK's mandate could be enhanced by having a single dedicated page on its website in a manner that is easily understandable for the public, consolidating its functions and detailing how these relate to the NBK's objectives as specified in the law, and its powers to carry out such functions, as well as listing out its prohibited activities, if any. The NBK could also clarify its role in ensuring financial system stability, and how it collaborates with the Agency in carrying out this role.
Principle 1.3.	**Autonomy:** The central bank discloses its autonomy—as defined in relevant legislation or regulations, allowing it to reveal the extent to which it is autonomous or not, in what forms, and under which conditions—in a manner that is clear and easily accessible for the public.
Principle 1.3.1.	**Institutional/Operational Autonomy**: There is clarity on whether the central bank is prohibited from seeking or taking instructions from any private or public body. The extent to which the central bank's autonomy varies for the various elements of its mandate is clearly disclosed. Where appropriate, a central bank's governing law clarifies whether it has goal or instrument autonomy concerning its various objectives.
Description	The NBK Law provides that the NBK shall be independent in its activities within the powers granted to it by the laws of the Republic of Kazakhstan[1] and acts of the President of the Republic of Kazakhstan. Representative and executive authorities shall not have the right to interfere in the activities of the NBK, its branches, representative offices, departments and organizations on the implementation of its legislatively enshrined powers (Article 21). The

	NBK Law further states that the NBK is the only body that determines and implements the state monetary policy, and the NBK sets inflation targets for the medium term. The Monetary Policy Strategy of the Republic of Kazakhstan 2030, available on the NBK website, states that the principle of operating, instrumental and administrative independence is manifested primarily in that the NBK acts as a special institution possessing an exclusive right of the monetary policy implementation. On the other hand, the Regulations state that the NBK is a government body directly subordinate and accountable to the President of the Republic of Kazakhstan (Clause 1). This accountability is reflected in the NBK Law whereby the President: (i) appoints and dismisses the Chairman/Governor and Deputy Governors with the consent of the Senate of the Parliament or on the recommendation of the Chairman, respectively; (ii) approves the structure and total staff of the NBK; (iii) coordinates the remuneration of NBK employees with the Board of the NBK; (iv) approves the Regulations, annual report, design of banknotes and coins; and (iv) requests information to be submitted by the NBK on issues within its competence (Article 3). In addition, the NBK's strategic plan has to be approved by the Chairman of the NBK in coordination with the President or the Head of the Administration of the President upon his/her authority (Article 3-1). The NBK Law discloses that representatives of third parties can attend decision-making bodies with a right to vote, i.e., the Management Board of the NBK has *ex-officio* members from the President's office, the Government and the Authorized Body for Regulation, Control and Supervision of the Financial Market and Financial Organizations, and that the Board makes decisions by a simple majority of votes, with two-thirds of the members present (Articles 16 and 17). The NBK Law further provides for the NBK to coordinate its activities with the Government, whereby parties are obliged to inform each other about the proposed actions and the results achieved that are of national importance, and to hold regular consultations. The NBK has to take into account the economic policy of the Government in its activities and promote its implementation, provided this does not contradict the performance of its main functions and the implementation of monetary policy (Article 22). According to the NBK, the NBK participates in Government meetings to discuss Government economic policies, and meeting minutes are published on the Government website. The NBK Law discloses that audit of the financial statements of the NBK is carried out annually by an audit organization experienced in auditing central banks of OECD or CIS member states, and that inspection of the NBK's activities by any state bodies shall only be carried out with the consent of the President (Article 68). [1] This includes activities relating to procurement, pursuant to the NBK Law (Article 15—the Board approves the rules for the acquisition for goods, works and services by the NBK, and the Law of the Republic of Kazakhstan on Reatification of the Treaty on the Eurasian

	Economic Union (Article 88—national banks of member states carry out purchases to meet administration and economic needs, perform construction work and major repairs in accordance with their internal procurement rules.)
Review	***Expanded*** Although the NBK has *de jure* autonomy under the law, the role or power of the President is not clear with regard to such autonomy accorded to the NBK. There is no clarity as to the relationship and interaction between the NBK and the President and other relevant Ministries such as the Ministry of Finance and Ministry of National Economy, and the coordination of the NBK's activities with the Government. The NBK also does not disclose and provide detailed information on any arrangements regarding the role of third parties to approve, suspend, annul or defer decisions, but the NBK informed that some approvals required pursuant to the NBK Law are reflected in Decrees of the President, e.g., total staff of the NBK which is set out in the Regulations.
Comments	The NBK's institutional and functional autonomy could be enhanced by setting out on its website the rationale for such autonomy, as well as clarifying and providing information on the legal requirements regarding the role of the President in relation to the NBK's decision-making, in particular in carrying out its mandate. It would also be useful to elaborate on the interaction between the NBK and the President and relevant Ministers in all relevant aspects of the NBK's mandate, in a manner that is clear and easily understandable for the public.
Principle 1.3.2.	**Functional Autonomy**: There is clarity on whether the central bank can perform its duties without prior approval from the government.
Description	See *mutatis mutandis* the discussion under Principle 1.3.1 above on the scope of the NBK's institutional/operational autonomy that clarifies the scope of the NBK's autonomy with respect to its mandate.
Review	See *mutatis mutandis* the discussion under Principle 1.3.1 above on the scope of the NBK's institutional/operational autonomy that clarifies the scope of the NBK's autonomy with respect to its mandate.
Comments	
Principle 1.3.3.	**Personal Autonomy**: Whether there is security of tenure for the members of the central bank's decision-making bodies is clear, as is the nature of such security. In this respect, security of tenure encompasses the eligibility and disqualification criteria for the appointment of the members of a central bank's decision-making bodies, the appointment

	procedure, the dismissal criteria and procedure, their remuneration, and the duration of their tenure.
Description	The Constitution of the Republic of Kazakhstan (https://www.akorda.kz/en/constitution-of-the-republic-of-kazakhstan-50912) provides for the appointment of the Governor of the NBK, with the consent of the Senate of Parliament (Article 44(1)). This is also repeated in the NBK Law which discloses the authorities involved in the appointment and dismissal of the Chairman/Governor and Deputy Governors (by the President on the recommendation of the Governor) as well as the duration of their terms of office (6 years for the Governor and Deputy Governors) (Articles 3, 13 and 14). The Regulations also provide for the appointment, dismissal and term of office of the Chairman (Clause 19). The NBK Law also provides for the dismissal of the Chairman (by the President) and Deputy Governors (by the President on the recommendation of the Chairman) and their resignation (Article 18). For other decision-making entities such as the Monetary Policy Committee (MPC), the NBK Law and Regulations state that the MPC may include persons who are not employees of the NBK and meet the requirements approved by the Board of the NBK (Article 18-1 and Clause 23-1). There are no requirements on appointment, dismissal, eligibility and tenure for MPC members set out in the law. With regard to the members of the Board, the representatives from the President's office, Government, and the Authorized Body for Regulation, Control and Supervision of the Financial Market and Financial Organizations are appointed and dismissed by the President, the Government, and Chairman of the Authorized Body respectively (Article 16). The eligibility and disqualification criteria for NBK employees is set out in the NBK Law (Articles 20-2 and 20-3) but are not applicable to the Governor and Deputy Governors. According to the NBK, the Governor and Deputy Governors are public servants and therefore subject to the Civil Service Law which requires civil servants to meet approved qualification requirements and sets out specific disqualification and dismissal criteria. The NBK Law provides that the Board approves the remuneration of employees of the NBK, in coordination with the President (Article 3). According to the NBK, this includes the remuneration of the governing bodies. This is supported by the Regulations which states that the amounts of official salaries of the Chairman and his deputies are approved by the Board of the NBK in agreement with the President (Clause 18). The NBK Law provides that employees of the NBK shall be liable for non-performance and improper performance of the assigned duties in accordance with the Labor Code, and in the case of commission of criminal and other offenses shall bear criminal liability in the manner established by the Laws of Kazakhstan. However, the NBK is required to provide legal protection to its employees, members of its Management Board (including former employees and members) and other persons engaged by the NBK in the event of claims

	against them in connection with actions and decisions made in performing functions assigned to the NBK (Article 20-5).
Review	***Core*** The authorities involved in the appointment and dismissal of members of the NBK's decision-making bodies are clearly set out in the law, as well as their term of appointment. However, there is no clarity on procedures for the eligibility and disqualification criteria, and grounds and procedures of dismissal for members of the NBK's decision-making bodies.
Comments	Transparency of the NBK could be further enhanced by including on the website an explanation in general terms for the benefit of the public regarding the safeguards contributing to the security of tenure governing members of the NBK's decision-making bodies, including the eligibility and disqualification criteria as set out in the law, and protection afforded to them caused by any of their acts or omissions.
Principle 1.3.4.	**Financial Autonomy**: The central bank's financial resources available to fulfill its mandate, and the nature of those resources, are clearly disclosed. In this respect, there is clarity regarding the central bank's capital, the rules governing any recapitalization of the central bank, its budget, reserves, provisions, profit distribution mechanism, monetary financing, and applicable accounting standards.
Description	The financial autonomy of the NBK is enshrined in the NBK Law: • **Property rights.** According to Article 9 of the NBK Law, the NBK shall independently exercise property rights over its property, on the behalf of the Republic of Kazakhstan. *However, the NBK does not provide the rational for autonomy.* • **Capital buffers.** Articles 9-10 of the NBK Law clarifies the general arrangement regarding the NBK's financial resources which include authorized capital, reserve capital, revaluation accounts (for gold, FX reserve, other assets in foreign currency, and fixed assets), and risk provisions. • **Profit distribution.** Article 11 of the NBK Law clarifies net income and retained income, and that the latter excludes unrealized gains and losses. It also clarifies that the retained income is to be used for replenishing authorized and reserve capital to the statutory minima, and to increase reserve capital if the NBK Board so decides, before transferring the remainder to the state budget. • **Recapitalization.** Article 11 of the NBK Law specifies that any losses that cannot be covered by reserves shall be borne by the state budget. *However, this provision has been suspended owing to current fiscal constraints: in FY 2023 the NBK suffered a loss, but this*

	loss was not covered by the state budget, rather the NBK is accumulating a retained loss. The NBK does not comment on this suspension nor provide the public with the underlying rationale. • **Budget.** Article 15 clearly specifies that the budget of the NBK is approved by the NBK Board. This however does not include the budget for NBK staff, as the number of NBK employees are approved by the President of the Republic of Kazakhstan, and as the system of remuneration is approved by the Board but in coordination with the President of the Republic of Kazakhstan (Article 3). *The NBK does not disclose the decision-making procedure for the determination of the budget. Also, the substance of consultation with the President of Kazakhstan is not disclosed.* • **Reimbursement for services rendered.** Article 70-1 provides that the NBK shall not charge for banking and other services provided of the Government, with the exception of service for the management of the National Fund of the Republic of Kazakhstan, other funds, and organization. • **Monetary financing.** Article 24 includes a general prohibition for the NBK to provide direct financing to the government, while Article 27 specifically prohibits the NBK from purchasing government securities in the primary market. • **Accounting standards.** Article 8 of the NBK Law stipulates that the NBK determines its own policies and methods of accounting taking into account International Financial Reporting Standards (IFRS). Note 2 of the NBK 2023 financial statements clarifies that the NBK is not obliged to follow IFRS in full and lists the deviations from IFRS.
Review	***Core*** The NBK Law includes provisions that clarify general arrangements regarding the central bank's capital, budget, reserves, provisions, profit distribution mechanism, monetary financing, and applicable accounting standards.
Comments	While financial autonomy of the NBK can be implied from the NBK Law and financial statements, transparency could be enhanced by explaining (e.g., on the NBK website or in the annual report) the NBK's financial autonomy, the underlying rationale relative to the NBK's mandate, and key elements assuring it: capital buffers, profit distributions rules, budget determination process, prohibitions on monetary financing, and fiscal backing. With respect to the latter, the NBK could also consider providing a rationale for the practice of accumulation of retained losses that are not covered by the state budget as originally envisioned in the NBK Law. These disclosers would help to anchor the NBK's financial autonomy.

Principle 1.4.	**Decision-Making Arrangement:** The central bank discloses a clear overview of the organizational structure or allocation of responsibilities to its decision-making bodies: policy making, day-to-day management, and internal oversight of the central bank.
Description	**Decision-making bodies:** The NBK Law and Regulations establish the decision-making bodies of the NBK, which are the Management Board, Board of Directors and MPC. It also provides the structure of the NBK which includes the central office consisting of departments and other subdivisions, branches, representative offices, departments and organizations (Article 12 and Clause 23). The NBK Law (and Regulations) also sets out the allocation of responsibilities across these different decision-making bodies: • The Governor/Chairman acts on behalf of, represents and manages the NBK, and is authorized to make operational and executive decisions on the activities of the NBK, except for the powers already allocated to the Board (Article 13 and Clause 18), and determines the powers of the Deputy Chairmen (Clause 22); • The Management Board approves various rules and determines policies and procedures falling within the NBK's functions as well as relating to internal controls of the NBK (including budget), approves the state monetary policy and establishes inflation targets for the medium term (Article 15 and Clause 23); • The MPC establishes the base rate and interest rates for the main operations of monetary policy, as well as decides on other issues of monetary policy not within the competence of the Management Board (Article 18 and Clause 23-1) • The Board of Directors is the operational management body of the NBK and makes decisions on issues within the NBK's jurisdiction, except for issues that are within the competence of the Management Board and the Chairman (Article 19-1 and Clause 24) **Organizational structure/Committees:** The NBK Law and website provide for the composition of the: § Management Board which includes representatives from the President's Office, the Government and the Authorized Body for the Regulation, Control and Supervision of the Financial Market and Financial Organizations (Article 16); § MPC which may include external members as approved by the Board and composition as approved by the Chairman (Article 18-1); and § Board of Directors which includes the heads of departments, the composition of which is approved by the Chairman (Article 19). The NBK Law also sets out the procedure and quorum for meetings, voting arrangements and how dissent is dealt with for the Management Board (Article 17), provides that meetings

	of the Board are held in accordance with the work plan approved by the Chairman, and its work procedure is determined in its regulations (Clause 23), and that rules of work of the MPC are approved by the Chairman and meetings are chaired by the Chairman and held at least once a quarter (Clause 23-1). The composition and responsibilities of committees which the NBK is a part of, such as the Financial Stability Council (FSC) are disclosed on the NBK's website, its activities and meetings are highlighted in the Annual Report, and the Decree of the President of the Republic of Kazakhstan on the Council for Financial Stability of the Republic of Kazakhstan is available online. The NBK website also sets out the biographies of the NBK's executive management and the organizational structure of the NBK, together with the main responsibilities for each internal department within the NBK. **Strategic Planning:** The NBK Law requires the NBK, with the approval of the Chairman in coordination with the President, to develop a strategic plan for a five-year period, which defines the strategic directions, goals and target indicators of the NBK's activities (Art 3-1). The Strategic Plan for the NBK for 2024–2028 and previous years is available on the NBK's website in the Russian and Kazakh languages.
Review	***Comprehensive*** The NBK clearly discloses information on its website about its organizational structure, decision-making bodies and strategic planning. However, although the NBK has several internal committees which contribute to its overall governance framework, other than a brief mention of the National Bank Investment Committee in the 2023 Annual Report, there are no other details concerning such committees.
Comments	A summary of meetings and decisions taken by the decision-making bodies of the NBK, and the remuneration of its members could be made transparent in the Annual Report. The transparency of the NBK's governance framework could be further enhanced by also including on its website the internal committees of the NBK such as the Investment Committee and Risk Committee, together with the functions of such committees, and the Annual Report could provide a small section on the activities of such committees which contribute to the overall internal control processes of the NBK.
Principle 1.5.	**Risk Management**: The central bank discloses the principal risks that it needs to take to meet its objectives (such as financial, operational, and legal risks), and the framework to manage these risks. This includes information on the risk governance structure and risk strategy.

Principle 1.5.1.	**Risk Exposure**: The central bank discloses the principal risks that it needs to take to meet its objectives.
Description	The NBK 2023 annual report, chapter 2.3.4 Financial Risk Management, and financial statements provide a high-level overview of key financial risks from the NBK's asset-side operations, general risk statements for the NBK investment portfolios, and levels of, and developments in, the related risk exposures. Chapter 3.2 provides a short update on the developments in the NBK's operational risk management and compliance control. The 2023 financial statements (note 30), provide a detailed overview of key financial risks and high-level descriptions of risk strategies for various portfolios. However, the 2023 Annual Report and financial statements provide only a partial picture of the NBK's risks. For example, the 2023 Annual Report does not discuss financial risks from the NBK's lending operations, indeed these operations are not discussed at all. Also, risk descriptions and disclosures do not provide a bird's eye view of the NBK's exposures, e.g., exposures at the aggregate level and their evolution over time. Nor do they provide an explanation of how these exposures relate to the NBK's objectives and what are the resulting demands on the NBK's financial resources (capital buffers). A risk statement outlining the NBK's stance on financial, operational, and other risks is also not provided.
Review	***Expanded*** The NBK 2023 Annual Report provides a high-level overview of developments in financial risk exposures, together with a risk statement. The 2023 financial statements provide further details on financial risk exposures and risk strategies.
Comments	The NBK could improve transparency by including the annual report a high-level overview of the NBK's approach to risks: (i) a risk statement covering *all* types of risks; (ii) a high-level overview of *all* key risks and related risk strategies; (iii) comment on developments in risk exposures, including those from lending operations; (iv) mapping of risk exposures against the NBK's mandate; and (v) quantification of exposures relative to the NBK's capital buffers.
Principle 1.5.2.	**Risk Framework**: The central bank discloses the process for identifying financial and nonfinancial risks, the overall risk strategy, and the accompanying risk governance structure designed to monitor and evaluate risks effectively.
Description	The NBK Risks & Compliance Department (RCD) is responsible for both financial and non-financial risk management and for the development of the risk management system. Within non-financial risk management, the RCD handles operational risk management, compliance, development of anti-money laundering policy, and business continuity management. Within financial risk management, the RCD is responsible for financial risk analysis and

	management. Decisions on risk management are taken by the Governor on the recommendations of the Risk Committee. The NBK 2023 annual report, chapter 2.3.4, provides a short update on the developments in the financial risk management mechanism, including policies and regulations for financial asset risks. Chapter 3.2 provides a short update on the developments in the NBK's operational risk management and compliance control. The 2023 Annual Report also provides a high-level overview of risk limits applied to the NBK's gold and foreign currency reserves. Details of the limit system are published on the NBK website under the Investment Strategy on gold currency assets, approved by the Resolution of the Management Board of the NBK on June 17, 2015, No. 112 (link). Also, basic principles of asset management in foreign currency and precious metals, including on management of risks, are approved by the Resolution of the NBK Board dated July 31, 2023, No. 59 (link). However, the 2023 Annual Report does not provide a high-level overview of the NBK's risk governance arrangements, such as the roles and responsibilities of the NBK's decision-making bodies in risk oversight, the NBK's committees (e.g., Investment Committee, Risk Committee, IT Security Committee), the relevant departments such as the RCD and others. While the 2023 annual report does mention continuous identification, evaluation, and mitigation of risks, it falls short of providing a comprehensive overview of the NBK's approach to risk management. Further, the 2023 annual report and financial statements focus on financial risks; strategies related to business continuity, cyber security, compliance control, and tools and internal controls for operational risks are not explained.
Review	***Core*** The NBK 2023 annual report provides updates on financial and operational risk management mechanisms, including policies for financial asset risks and compliance control. It offers a high-level overview of limits applied to the management of gold and foreign currency reserves, with detailed information available on the NBK website. The basic principles of asset management in foreign currency and precious metals are approved by the NBK Board.
Comments	Transparency could be improved by including in the annual report: (i) a brief overview of risk governance arrangements; (ii) a short explanation of the NBK's process for continuous identification, evaluation, and mitigation of risks; (iii) strategies for business continuity, cyber security, compliance, and tools and controls for operational risks; and (iv) by expanding information on strategies for management of financial risks. These additional explanations would contribute to towards the NBK's credibility as a well-managed institution, and further anchor the existing practices in risk management.

Principle 1.6.	**Accountability Framework**: The central bank discloses its accountability framework that provides transparency and reporting mechanisms to internal decision-making bodies, political institutions, and the general public.
Principle 1.6.1.	**Arrangements**: Accountability arrangements are clearly identified, including: (i) internal and external audit arrangements and compliance; (ii) reporting to an audit committee (AC) or Board having an oversight responsibility; and (iii) the external publication of audited financial statements and annual reports.
Description	**General.** The NBK Law stipulates that the NBK is accountable to the President of the Republic of Kazakhstan (Article 3) who appoints and dismisses the NBK Chairman and Deputy Governors, and approves the NBK's organizational structure, total number of staff, system of staff remuneration, regulatory acts, and the annual report which includes the NBK audited financial statements. The President is also involved in the approval of the five-year strategic plan which is nominally approved by the NBK Chairman. **Independently Audited Financial Statements (core):** **Financial Statements and the Annual Report.** The NBK Law stipulates that the NBK shall prepare and annual report which shall include financial statements (Article 67) that shall be prepared in accordance with the policy and methods of accounting that take into account IFRS (Article 8) as determined by the Board of Directors (Article 19). Article 15 stipulates that the financial statements shall be approved by the NBK Management Board, whereas Articles 3 and 66 clarify that the final approval to the annual report and the financial statements shall be made by the President of the Republic of Kazakhstan. However, the NBK Law does not require publication [required for core] or specify statutory deadlines for their finalization [required for expanded]. **Independent audits.** Article 68 stipulates that the financial statements shall be audited by auditors with experience in auding central banks of member states of the OECD or the countries of the Commonwealth of Independent States (CIS). However, the NBK Law does not require the audits to be performed in accordance with International Auditing Standards (ISA) [required for expanded]. The NBK Law is also silent on the appointment term [required for comprehensive]. **Internal Audit (expanded):** **Roles and duties.** Article 15 of the Law on the NBK provides for the establishment of the internal audit department, and the NBK website briefly explains that the main task of the internal audit department is to organize and carry out internal audit of the NBK. The annual report includes a section on the internal audit of the NBK which provides further information on the activities of the internal audit department.

	Reporting lines. Article 15 of the NBK Law charges the Management Board with adopting regulations on internal audit, the medium-term audit plan, and the annual report of the internal audit unit. Article 3 of Regulations on the NBK (published) charges the Chairman with reviewing the results and outcomes of internal audits. **Eligibility criteria, and appointment and dismissal process for head of internal audit.** The NBK Law, published NBK Regulations, or other NBK publications do not provide information on these matters [required for comprehensive]. **Audit Committee (core):** The NBK Law does not explicitly assign oversight and oversight roles to the Management Board or any other decision-making body of the NBK, such as an AC. Article 15, however, does assign to the Management Board the role of approving the NBK financial statements, and deciding on internal audit matters. However, in joint-stock companies where the NBK is the sole shareholder, ACs exist under the Board of Directors (information published in the NBK's Annual Report for 2023).[1]
Review	***Core*** **Independently Audited Financial Statements and Annual Report:** The NBK Law mandates the preparation of an annual report that includes financial statements, prepared in accordance with IFRS. However, the law does not require publication or specify statutory deadlines for finalization, nor does it specify rules on selection, appointment, and rotation of external auditors and a reference to International Standards on Auditing. **Internal Audit:** The NBK Law provides for the establishment of an internal audit department, with the main task of organizing and carrying out internal audits. The internal audit function reports to both senior management and the NBK Management Board, ensuring independence and accountability. However, the law does not detail the eligibility criteria, appointment, and dismissal process for the head of internal audit. **Audit Committee:**

[1] https://nationalbank.kz/en/news/godovoy-otchet-nbk

	The NBK Law does not explicitly assign an oversight roles to the Management Board. However, the Management Board is responsible for approving financial statements and deciding on internal audit matters.
Comments	To enhance transparency, the NBK could consider publishing an overview of its accountability framework, oversight by the Management Board that is currently only implied in the NBK Law, external and internal audit arrangements, and the annual report and financial statements. This overview could be presented as a page on the NBK website, a section of the NBK Annual Report, or standalone document on the NBK accountability framework. The overview could include a short summary of key accountability provisions of the NBK Law, along with other rules that are currently not published such as: (i) deadlines for finalization and publication of the annual report and financial statements (or submission to the President of the Republic of Kazakhstan); (ii) rules on selection, multi-year appointment, and rotation of external auditors; the requirement that they be independent and comply with International Standards on Auditing; and the process for annual evaluation of their performance; (iii) information on the eligibility criteria, appointment, and dismissal process for the head of the internal audit function.
Principle 1.6.2.	**Tools**: **Independently Audited Financial Statements**: The central bank discloses its auditing and accounting standards and compliance frameworks and gives the public sufficient information to assess and understand the central bank's financial performance, use of resources, and transactions with the government and other stakeholders. **Internal Audit**: The central bank provides the public with information regarding its internal audit function, discloses its framework and compliance with the framework, and the scope of its responsibilities. **Audit Committee**: It is clear whether an internal oversight body that reports to the Board exists, and which of the activities are published.
Description	**Independently Audited Financial Statements and Annual Report (core/expanded):** The NBK FY 2023 financial statements include key transparency features: (i) they were prepared in accordance with IFRS, with exceptions explained in Note 2; (ii) they include an audit opinion that references International Standards on Auditing; (iii) they were finalized in

	April and published on the NBK website and the state website (egov.kz) in June (the NBK Law does not specify a deadline); and (iv) they provide broadly adequate disclosures on key core and non-core financial operations of the NBK. The 2023 annual report provides additional information on operations conducted by the NBK, such as the NBK's liquidity-absorbing operations, reserve management, and asset management services for the National (Oil) Fund and the Unified Accumulative Pension Fund. However, the annual report does not explain the activities related to the provision of liquidity to the banking system or the operations by the Kazakhstan Sustainability Fund. It also lacks information on the NBK's organizational structure, including a clear explanation of its subsidiaries, which carry out important functions for the NBK. Additionally, the annual report is silent on the NBK's relationship with the Government of Kazakhstan and government agencies. Moreover, it does not provide commentary on the NBK's financial performance, and the financial statements are not integrated into the annual report. **Internal Audit (not implemented):** The 2023 annual report includes Section 3.4 "Internal Audit," which provides a brief overview of developments in the internal audit function and international cooperation during the financial year. However, neither the annual report nor the NBK website includes a basic description of the internal audit function or its application of international standards [required for core]. It also does not clarify the rules governing the independence of the internal audit, the reporting structure, or provide a high-level description of the function's activities [required for expanded]. Furthermore, there is no information on whether the internal audit function underwent an External Quality Assessment, nor the outcome of such an assessment [required for comprehensive]. **Audit Committee (not implemented):** The NBK does not have an AC.
Review	***Core*** **Independently Audited Financial Statements and Annual Report:** The NBK's FY 2023 financial statements exhibit key transparency features. The annual report provides additional information on various NBK operations. **Internal Audit:** The 2023 annual report includes a section on internal audit, offering a brief overview of developments and international cooperations.

	Audit Committee: The NBK does not have an AC or a similar oversight body whose oversight activities could be published.
Comments	To enhance transparency, the NBK could consider publishing detailed information on its oversight mechanisms, internal audit processes, organizational structure, and financial operations. This could be achieved by enhancing the annual report in the following ways: (i) Provide a detailed explanation of the NBK's oversight arrangements, including oversight of financial reporting, external audits, internal audits, risk management, compliance, and governance. (ii) Expand information on internal audit, including its objectives and compliance with standards set by the Institute of Internal Auditors, as well as details on the most recent External Quality Assessment. (iii) Expand the section on the NBK's organization by including a clear explanation of its departments and subsidiaries that carry out important functions for the NBK. (iv) Include a section on the NBK's relationship with the Government of Kazakhstan and other government agencies. (v) Provide more detailed information on its financial operations, such as liquidity-providing operations and quasi-fiscal lending operations by the Kazakhstan Sustainability Fund (KSF). (vi) Explain the NBK's financial performance during the financial year. (vii) Make the financial statements an integral part of the annual report.
Principle 1.6.3.	**Anti-corruption Measures and Internal Code of Conduct**: It is clear whether domestic anti-corruption legislation and measures apply to the decision-makers, staff, and agents of the central bank. The central bank discloses its internal Code of Conduct with additional requirements specific to central bank management and staff.
Description	The **Law of the Republic of Kazakhstan on Combating Corruption** (November 18, 2015, No. 410-V ZRK) establishes fundamental principles and measures for combating corruption that are mandatory for all state bodies and their employees, including the staff and officials of the NBK.

	The **Law of the Republic of Kazakhstan on the NBK** establishes anti-corruption measures for the NBK, its staff, and officials. Article 20-2 stipulates that those individuals with a history of corruption offenses, disciplinary actions related to corruption within the past three years, or those dismissed for corruption offenses are ineligible for employment at the NBK. Article 20-3 states that non-compliance with anti-corruption obligations and restrictions can result in termination of employment. Article 20-4 requires employees to transfer their financial investments to trust management to avoid conflicts of interest. The same article also requires employees to promptly inform management or law enforcement agencies if they become aware of corruption offenses. **Anti-corruption and AML-CFT measures** implementing the abovementioned laws are published on a dedicated NBK website (link). This includes: (i) Anti-Corruption Standards of the NBK, approved by Resolution Np. 10 of the Board of Directors of July 28, 2017; (ii) Code of Corporate Culture, approved by Resolution No. 18 of the Board of Directors of March 29, 2022; (iii) Policy on Combating the Legalization (laundering) of Proceeds from Crime and the Financing of Terrorism, approved by Resolution No. 176 of the Board of Directors of December 26, 2018; and (iv) various reports on internal analysis of corruption risks at the NRB. See further below. **The NBK Policy on Combating the Legalization (laundering) of Proceeds from Crime and the Financing of Terrorism** outlines the AML/CFT guidelines and requirements for NBK employees, decision-making bodies, and senior officers to prevent involvement in ML/TF activities. It emphasizes internal control mechanisms, reporting suspicious transactions, and compliance with AML/CFT principles. **The Code of Corporate Culture of Employees of the NBK** sets out values, principles of professional ethics, values, and rules of conduct for NBK employees. It includes rules to prevent conflicts of interest, requiring employees to transfer financial investments to trust management, and prohibiting employees from accepting gifts or favors for actions (or inaction) within official powers. It requires employees to corruption offenses **The Anti-Corruption Standards of the NBK** establish a system of rules aimed at preventing corruption within the NBK. Employees must ensure the protection of rights and interests, abstain from using their official powers for personal gain, and avoid engaging in activities that create conflicts of interest. They must comply with anti-corruption legislation and report any known or suspected corruption offenses. Non-compliance results in disciplinary action. Additionally, employees are prohibited from providing anyone with any assistance not sanctioned by the legislation of the Republic of Kazakhstan in carrying out entrepreneurial and other income-generating activities. The documents highlight that the **RCD** is responsible for coordinating compliance with anti-corruption legislation and receiving reports of suspicious transactions and corruption

	offenses from employees. The RCU also assists in making decisions on whether to report suspicious transactions to the authorized body. The **2023 Annual Report**, in section 3.2, discusses activities with respect to anti-corruption at the NBK, including assessment of corruption risks, prevention, monitoring, and whistleblowing. It also mentions the email address to which employees or outsiders can report suspicious activity. However, the documents do not specify requirements on declaring assets of staff, nor do they address external activities or "cooling off" periods after retirement from the NBK. Furthermore, the documents do not explicitly mention whether they apply solely to employees or also to NBK's officials, such as members of the Management Board and the Board of Directors. Additionally, the mechanism for the resolution of conflicts of interest and the related governance arrangements are not disclosed, except for the mention of the RCD.
Review	***Expanded*** The information published on the NBK website, and the 2023 Annual Report is generally consistent with expanded transparency practices. This includes the publication of internal regulations implementing the Law of the Republic of Kazakhstan on Combating Corruption and the NBK Law.
Comments	The NBK could improve transparency with respect to anti-corruption measures by clarifying in the documents published on its website or in the annual report: (i) whether the internal regulations related to anti-corruption and AML/CFT also apply to NBK officials and members of its decision-making bodies; (ii) whether there is a cooling off period rule in place for officials and employees retiring from NBK and/or its decision-making bodies; (iii) a brief overview of the anti-corruption handling mechanism, including assessment, measurement, and prevention of corruption risks, as well as the key organizational units involved in the process. In particular, it could be beneficial to dedicate a chapter in the annual report to anti-corruption and AML&CFT rather than commingling it with operational risk management.
Principle 1.6.4.	**Human Capital Management:** The central bank discloses its policies and practices concerning the governance and management of human capital.

Description	The 2023 Annual Report includes a summary of high-level information and key activities of the Human Resources Department during the year, including: (i) basic statistics such as staff levels; (ii) a breakdown by gender; (iii) staff turnover and recruitment; and (iv) staff development programs, including training grants for university programs. However, the 2023 Annual Report does not include information on leadership and succession planning. Additionally, it does not provide an overview of the NBK's mechanisms for human capital management, such as the systems for evaluating, motivating, and rewarding employees, or the governance surrounding staffing matters between senior/middle management and the body charged with oversight of these matters. The NBK also does not disclose whether its staff are recruited and promoted on non-political grounds, including the relevant laws that prohibit patronage and discrimination, and policies on attracting, promoting, and retaining staff. For example, the NBK does not publish the salary scale for its staff.
Review	***Core*** The 2023 annual report includes a summary of high-level information and key activities of the Human Resources Department during the year, including staff levels, breakdown by gender, staff turnover and recruitment, and staff development.
Comments	To enhance transparency, the NBK could publish more comprehensive information on human capital management. This could be achieved by enhancing the annual report or, depending on the desired level of transparency, by publishing a separate report on human capital management on the NBK website. Enhancements could include information on: (i) governance surrounding staffing related matters between middle/senior management and the body charged with oversight; (ii) leadership and succession planning; (iii) the system for evaluating, motivating, and rewarding employees; (iv) policies for attracting, promoting, and retaining staff and the salary scale; (v) whether staff are recruited and promoted on non-political grounds and references to the relevant laws that prohibit patronage and discrimination.
Principle 1.7.	**Communication:** The central bank discloses means and methods of communication and the forms of disclosure of information to its stakeholders.

Principle 1.7.1.	**Arrangement**: The central bank discloses the organizational structure, responsibilities, and processes relevant for communication.
Description	Communication of the National bank is based on Laws of the Republic of Kazakhstan ("On the Mass-Media", the National Bank), Strategic Documents (Monetary Policy Strategy 2030, Macroprudential Policy Strategy ¶V and Communication Strategy 2030) as well as internal acts. In December 2024, the NBK management approved, for the first time, the NBK Communication Strategy through 2030. This Strategy will serve as the foundation for a Bank-wide Communication Action Plan (ongoing). Both documents form the internal framework guiding the development of a systematic communication approach and not intended for public disclosure. The Strategy aims to strengthen public trust in the NBK as a credible institution conducting economic policy in the public interest. This includes fostering vertical (internal), horizontal (inter-agency), government-level, and societal trust. The Strategy outlines: increasing public awareness, improving transparency, enhancing the Bank's reputation, promoting financial literacy, and fostering trust through open communication. **Organizational structure:** The NBK publishes the NBK Organizational Chart with detailed structure of the National Bank and the includes the placement of the Communication Department (reporting to the Governor). **Responsibilities**: The NBK provides comprehensive information about the National Bank, its mission and functions on the official website. On the operational level, the Legislation sets standard for interaction of the authorized department with the mass media. The Communication Department is responsible for managing external communications, including relations with the media, the academic and expert community, public institutions, government entities. However, the role and involvement of the Department in decision-making process (at least as observer) is limited, for example the Head of the Department is not part of the Board of Directors of the NBK. **Processes for Communications:** The NBK does not disclose information on communication arrangements (such as internal principles, guidelines, and processes for external and internal communications). However, the following documents are available for specific procedures: • The Regulation of the NBK on general rules for the organization and internal procedures of the activities of the Bank in the process of performing the assigned functions, including requests from the public.

	• The official platform e-Otinish serves as a key tool for two-way communication with any public institution, including the NBK. It provides a structured and transparent process for submitting and tracking public inquiries and requests. • The procedure for receiving and considering applications from the public in accordance with timeframes established by the legislation of the Republic of Kazakhstan. • The communication Calendar is available on the website, which outlines mostly dates of main publications and policy decisions. • The schedule of meetings with the NBK management with contact information. • FAQs covering the core functions of the NBK The new Communication Strategy, though not publicly disclosed, outlines the role of communication policy, defines internal communication arrangements, and sets out the implementation and evaluation for communication activities. Strategy identifies five directions for communication: (i) ensuring price stability; (ii) supporting financial stability; (iii) effective management of the National Fund and pension assets; (iv) financial sector infrastructure and technologies; and (v) research activities. For each area, the Strategy outlines specific communication goals, challenges, and key messages. The Strategy sets out the process for tiered communication, clearly identifying the target audiences, as well as tools and channels tailored to each group. The NBK is considering the possibility of publishing a summary of the document for public access. **Dissemination of Information:** Relevant Information is distributed through: Press releases Press conferences and briefings, Publications and analytical materials/ bulletins, Statistical reports through Interactive Database (IDB), Interviews with the bank's management, Special events and public appearances, Multimedia materials (video spots, video graphics, infographics, photos etc.) **Availability and Languages:** The official website is the main source of official information. Besides the NBK active in official social media platforms (*Facebook, LinkedIn, YouTube, Telegram, TikTok, and etc.*). The bank ensures that all information is up-to-date and relevant, fostering an informed and continuous dialogue with all stakeholders. All Communications are available in Kazakh, Russian, and English languages. However, English versions on the website contains a lot of blank pages with no information available.
Review	***Core*** The NBK discloses information on the communications function, including placement of the communications unit within the NBK and senior executives responsible for it with contact information. In addition, the NBK discloses information and guidelines on specific processes. However, the NBK does not disclose detailed information on communication arrangements, such as internal principles, guidelines and processes for external communication.

Comments	To further enhance transparency around the NBK's communications function, further disclosure should be undertaken. Disclosure of the recently approved Communication Strategy—even in the form of a high-level summary—would be highly beneficial in enhancing transparency and public understanding of the NBK's communication priorities. The website already has a tab called "Press Center" which need to be revised and broaden with general information on the communication function. In addition, provision of clear information about the NBK's communication processes and how they are integrated into its core activities will enhance transparency.
Principle 1.7.2.	**Strategy/Tools**: The central bank discloses the objectives, target audiences, channels, and tools of communication policy.
Description	**Communication Objectives** The NBK communication derives from the mission and vision of the central bank It seeks to foster trust at all levels—internal, inter-agency, government, and societal—recognizing trust as essential for achieving the NBK's mission of price stability. Communication policy aims to achieve the following objectives: • enhance effectiveness and public confidence, anchoring inflation expectations considered in ensuring and maintaining price stability in the proximity of the assumed medium-term target. • building clear public understanding of NBK's measures of financial stability of the country. • ensuring transparency of decisions—taking and overall activity of the central bank. • raising awareness, improving transparency, strengthening the NBK's reputation, • promoting financial literacy. Financial literacy is emphasized as a key enabler of public understanding and engagement with the NBK's work. **Strategy** The NBK communications strategy follow the institutional strategic documents (Monetary Policy Strategy 2030, Macroprudential Policy Strategy ¶V and Communication Strategy 2030). These documents provide the communication policy objectives, principles, target groups, channels, tools, as well as key messages for the target groups. The NBK Communication Strategy is an internal framework guiding the development of a systematic communication approach and is not intended for public disclosure. It outlines priority communication areas, particularly with the general public, and a public-facing version will later be prepared to inform stakeholders about the NBK's key messages and

	priorities. The Strategy also emphasizes the importance of clear messaging across all areas of the NBK's work to strengthen the institution's overall public image and credibility. **Communication reports** The Annual Report provides information with detailed statistics on communication activities of the National Bank for the reporting year (Section 2.11). The NBK has a system to evaluate its communication policy via surveys, gathering feedback from both internal and external stakeholders. This helps to assess the effectiveness of its strategies and identify areas for improvement. The evaluation results are for internal benefits only. **Communication Tools:** The NBK communicates with its broad audience regularly through: Official Website, public information messages and Press releases. The NBK also discloses the Calendar of the main publications and announcements for a month ahead. The NBK has a tab on its website dedicated to Interviews and official statements by the NBK executives. https://www.cbcg.me/en/public-relations/media/interviews-and-texts However, in some cases there are discrepancies regarding the timing of publications of the English and Kazakh and Russian versions, which constraints the accessibility of the information. The NBK actively employes social networks for its external communications and financial literacy projects with accounts in Facebook, Instagram, YouTube, Telegram , and TikTok. The NBK frequently conducts press conferences and press briefings. Press-briefings on the policy rate are usually broadcasted and recorded. After each policy rate decision, the NBK launches a short video with explaining the decision by the NBK Management. The NBK regularly provides a comprehensive set of statistical data and reports. Regular release of statistical data, including the NBK Statistical Bulletin , monetary and banking statistics, external sector statistics, National Fund statistics, and etc., with designated tab for each group of data. The data is updated regularly following the schedule of release of statistical information. specifying the dates for each release. The statistics tab on the website allows choosing the data span and format of the data downloaded. The NBK publishes an extensive range of reports and reviews, aiming to enhance transparency, inform stakeholders, and support data-driven decision-making, including: Monetary Policy Report (MPR) , Financial Stability Report (FSR), Annual Report, Balance of Payments and External Debt , Inflation trends , Macro & Market Overview , Financial market overview , Kazakhstan's external sector review , and etc.

The NBK also discloses the results of several surveys targeting the public and businesses, including the Survey on Inflation expectations, Macroeconomic survey , Bank Lending Survey and enterprise monitoring. These surveys help the NBK better understand stakeholder perceptions and improve the effectiveness of its policy communication and decision-making.

The NBK provides comprehensive information on research activities, Research conferences at the NBK aiming at strengthening the reputation and facilitating communication with academia and expert community. Dedicated section on the website provides full information on Research initiatives and Research Program and Research grants at the NBK. In addition, it publishes academic papers and articles in its "NBRK Economic Review" , Working paper series , and Analytical notes .

Communication channels:

The NBK uses a diverse communication approach, tailored to different target audiences. Communication channels include:

- Online platforms: Official website, social media (Instagram, TikTok, Facebook, YouTube, Telegram, LinkedIn), intranet tools, and mobile apps.
- Public spaces: Info stands, ads.
- Traditional media: Press conferences, interviews, and publications in national and business media.
- Remote communication: Email, phone calls, chat apps, and video conferencing.
- Events and engagement: Internal lectures (NBK Talks), stakeholder meetings, student lectures, financial literacy campaigns, exhibitions, and conferences.

Target audiences include:

- Media
- General public
- Financial sector stakeholders and Businesses
- Government bodies
- Expert and research communities

	• International organizations • NBK staff
Review	***Expanded*** The NBK's communication framework is anchored in its mandate to ensure price stability and foster institutional credibility. Communication efforts aim to enhance the effectiveness of monetary policy by anchoring inflation expectations, promoting transparency, improving public understanding of financial and macroeconomic developments, and strengthening financial literacy. The NBK employs a broad range of communication tools, including its official website, social media platforms, press releases, policy briefings, and regular publications. It also publishes survey results and engages with the academic community through research conferences and publications. Communication is tailored to key audiences—media, public, financial sector, government, experts, international partners, and staff—using digital, traditional, and face-to-face channels. The effectiveness of communication activities is monitored through internal assessments and survey-based feedback, with selected indicators disclosed in the Annual Report.
Comments	The 2030 Communication Strategy—aligned with the NBK's strategic documents—is an internal instrument that outlines communication objectives, target audiences, tools. While not publicly disclosed, a summary version may be made available to foster transparency. The NBK should further tailor its communication to the general public and citizens by explaining its functions, objectives and decisions in simple words. Streamlining website content and ensuring more dynamic, regularly updated information across all language versions would significantly enhance accessibility and engagement for external stakeholders.
Principle 1.8.	**Confidentiality**: The central bank discloses its policy on confidentiality or secrecy of central bank information, including the reasons underlying the choices it has made on disclosure or non-disclosure of sensitive information.
Description	The NBK facilitates public access to information through multiple channels: • NBK Official Website: Individuals can submit information requests directly via the NBK's official website. • E-Otinish Platform: Requests can also be submitted through the "E-Otinish" platform, an official system for handling appeals and information requests in Kazakhstan

	(https://eotinish.gov.kz). The platform allows users to submit requests electronically, track their progress, and receive responses within legally established timeframes. The NBK adheres to specific timelines for responding to information requests, which vary based on the nature of the inquiry. These timelines are designed to ensure prompt and efficient communication with the public. Regarding confidentiality, the NBK's policies are governed by national legislation. Specifically, Article 54 of the Law "On Banks and Banking Activities in the Republic of Kazakhstan" mandates that banks provide the NBK with requested information, including data considered banking secrets. This law also holds NBK employees accountable for any unauthorized disclosure of such information. While the NBK has internal regulations, approved by its Board of Directors, concerning confidentiality and the handling of information requests, these specific policy documents are not publicly available. However, the NBK follows national regulatory standards on information access and confidentiality, ensuring that sensitive financial and banking data is handled in compliance with the law.
Review	***Not implemented*** The NBK does not publicly disclose a dedicated policy on confidentiality. As a result, the NBK does not meet the core requirement of publishing a formal policy outlining its approach to confidentiality, including the rationale for disclosure or non-disclosure of sensitive information.
Comments	To improve transparency while maintaining confidentiality where necessary, the NBK should publish its confidentiality policy or a summary of it. This should include: The categories of information classified as confidential, such as supervisory data, market-sensitive financial information, and internal policy discussions. The legal basis for confidentiality, referencing applicable laws and regulations, such as the Law "On Banks and Banking Activities in the Republic of Kazakhstan." Guidelines for public access to information, specifying which types of information can be disclosed and under what conditions. Procedures for handling public information requests, including response timelines and grounds for non-disclosure.

	Publishing a summary would strike a balance between transparency and confidentiality, ensuring that stakeholders understand the NBK's approach while preserving the integrity of sensitive financial data.
Pillar II—Central Bank Policies	
Principle 2.1.	**Monetary Policy**: The central bank publicly and clearly discloses the objectives, policy framework, and instruments of monetary policy.
Principle 2.1.1.	**Objectives and Framework**: The central bank discloses its monetary policy framework and strategy for achieving its objectives.
Description	The NBK discloses information on its website about its monetary policy framework, namely the objective, the policy instrument, and the strategy for using the base rate instrument to achieve its price stability objective. The monetary policy objective is stated in the NBK's governing law *to ensure price stability in the Republic of Kazakhstan* via *the development and implementation of monetary policy of the state* (Article 7, *Law on the National Bank of Kazakhstan*) The NBK's monetary policy framework consists of an explicit inflation target and a floating exchange rate. This framework was adopted on August 20, 2015. At that time, the NBK and the Government of Kazakhstan issued a joint statement announcing the new framework and explaining the rationale for it. The current inflation target is for annual consumer price inflation to be **close to 5 percent over the medium term**. It was announced by the NBK on July 5, 2023, to replace the then existing interval targets of 4–5 percent for 2023-24 and of 3–4 percent starting in 2025. The NBK implements monetary policy by setting the base rate—its principal monetary policy instrument. On its website, a clear explanation is provided of how movements in the base rate are transmitted through the financial system to affect aggregate demand and the rate of inflation. In addition, other important concepts related to monetary policy, including inflation, inflation targeting (IT), and a floating exchange rate are also explained in an accessible manner. A brief overview of the NBK's monetary policy framework is also provided in the preface to the MPR, its quarterly flagship monetary policy communication document. This information is repeated in other communication vehicles used by the NBK (e.g., Monetary Policy Strategy 2030) to explain its monetary policy framework and its implementation.

	In summary, the NBK communicates the key elements of its monetary policy framework. Market participants feel that the framework is credible and that the NBK operates with sufficient independence to achieve its inflation objective. They note also that this credibility has contributed importantly to the reduction in inflation from the high rates experienced during the pandemic.
Review	***Comprehensive*** The NBK discloses information about the objective, instrument and strategy of its monetary policy framework on its website and through other communications vehicles in three languages (Kazakh, Russian and English).
Comments	The NBK has increased the quality and quantity of its monetary policy communications since the adoption of a monetary policy framework with an explicit inflation target in 2015. Good progress has been made, despite the challenge of having to communicate in three different languages. In particular, the NBK should be commended for stressing that the floating exchange rate is a necessary complement to the inflation target and that it plays a vital role in facilitating adjustment to external shocks in the open economy. Communications about its monetary policy framework could be further improved: The NBK's monetary policy communications should be made more accessible to a wider set of stakeholders, in particular, the public. Current communications focus on a more sophisticated audience consisting of market participants, investors and financial journalists. Consequently, there are gaps in the public's understanding of and trust in the monetary policy framework. This can be seen in the NBK's survey of the public's inflation expectations, which are typically much higher than the actual rate of inflation. The NBK has recently used social media to simplify its communications and reach a wider audience. Further effort should be made to increase the amount of accessible, non-technical information about its monetary policy framework. While market participants generally view the NBK as having a high degree of operational independence to implement its monetary policy framework, further clarification of this independence would increase the credibility of the framework.
Principle 2.1.2.	**Policy Decisions**: The central bank discloses its monetary policy decisions in a timely manner and indicates how the decisions foster the achievement of its monetary policy objective(s). The central bank discloses the process by which policy decisions are taken, including with respect to the meeting calendar of its monetary policy decision-making bodies and their voting procedures.

Description	The NBK discloses its monetary policy decision in a press release at 12:00 pm the day following the day of the decision-making process is completed, eight times per year. Kazak- and Russian-language versions of the press release are published simultaneously, while an English version is typically published a few hours later. At 12:30 pm that day, a press conference is held, and the Governor opens it by reading his Monetary Policy Statement (MPS), which is intended to reflect the views of the MPC. At that time, Kazak and Russian versions of the MPS are released simultaneously, while the English version is released few hours later. The calendar for the eight monetary policy decision meetings is published in the fall of the previous year. Four of the eight decisions each year are informed by a full economic forecast. A comprehensive explanation of the forecast is published in the quarterly MPR about 10 business days after the meeting, simultaneously in all three languages. As a helpful step to increase transparency, in the September 2024 MPR, the NBK started publishing charts showing the range (as well as the median) of MPC members' views on the likely path of the base rate over the next three years, along with projections of domestic output growth and inflation. The role and composition of the MPC are described on the NBK's website. It consists of ten members: the Governor, four Deputy Governors and five department heads. Votes are taken for each decision but are not published. Since June 2025, a MPC's Summary of Deliberations on base rate has been posted. The day after the decision is announced there is a briefing for market analysts and other experts led by a Deputy Governor with Department Heads present to answer more technical questions. Media interviews and videos on social media are also used to explain the decision.
Review	***Expanded*** The NBK monetary policy decisions are disclosed in a timely manner, consistent with the prescribed schedule. It provides useful explanatory information about its policy decisions by publishing a press release and an MPS with each decision and an MPR four times a year. It is clear why the decision was taken, and by whom. The press releases are accompanied by press conferences with question-and-answer periods.
Comments	The MPC is a voting committee, but the votes are neither published nor are any details of the discussion released. More disclosure of the deliberations in the form of a non-attributed meeting summary would be helpful for external stakeholders to understand better the

	uncertainty around the economic outlook and the decision, especially at turning points in the policy interest rate cycle. This type of disclosure is the standard practice for central banks that record MPC votes. Publication of such summaries of deliberations (SODs) usually occurs a week or two after the decision. The charts showing the MPC's range of views for the trajectory of the base path and the accompanying text would fit better in a summary of deliberations, rather than in the MPR. In addition, it would be helpful to explain how the views of the base rate path had changed from the last forecast because it would highlight the key changes to the outlook and any material shifts in risks identified by MPC members. The NBK does not provide an overview of the MPC's decision-making process. Stakeholder access to NBK's press conferences is limited. While they are live streamed on the web, they are only conducted in Kazak or Russian, without simultaneous translation into English. Only the Governor and two Deputy Governors participate. The NBK should consider organizing other events to discuss the policy decision with a wider set of stakeholders, including labor unions, trade associations, civil society groups and the public. Having additional events would also allow other MPC members to participate. Monetary policy communications, especially the press release and MPS, should be reviewed for accessibility to a wider audience. Too often terminology is used that is likely only understood by more sophisticated readers. For this purpose, it may be useful to integrate communications professionals earlier and more fully into the preparation of monetary policy communications. The ownership of, and accountability for, the MPR could be strengthened by including the names of the MPC members in the preface of the MPR.
Principle 2.1.3.	**Supporting Analysis**: The central bank discloses relevant economic information and supporting analysis that informs its monetary policy decisions.
Description	The NBK employs a Forecasting and Policy Analysis System (FPAS) used by other central banks to inform its monetary policy decisions. The FPAS encompasses detailed monitoring and analysis of the global and Kazak economies, commodity prices, and global and domestic financial conditions. It also includes short-term econometric forecasts of domestic GDP and inflation as well as medium-term forecasts of key domestic macroeconomic variables using the Quarterly Projection Model (QPM). It also draws on forecasts from the IMF, Consensus Economics and other central banks, as well as on public, business and banking survey information, and data collected by the National Statistics Bureau and the NBK itself.

	These quarterly forecasts and the related analysis are published in the MPR. The MPR includes a base-case scenario as well as two alternative scenarios around the base-case scenario that reflect optimistic and pessimistic outlooks for the global price of oil as well as analysis of relevant risks to the base-case scenario. The MPR also includes analyses of the transmission of monetary policy through different channels and analytical boxes that offer a deeper dive into a particular issue of current interest. The MPR is accompanied by the publication of the related statistical information. The NBK also provides an extensive set of data in different publications. These data include regional inflation measures, industry and sectoral statistics, monetary and banking data, and FX market data. The NBK also conducts and publishes the results of surveys of households, businesses and market participants. NBK staff also conduct and publish research on analytical issues related to macroeconomic and monetary policy, including analytical notes and working papers. Some of this research appears in the *NBRK Economic Review*.
Review	***Expanded*** The NBK's FPAS is a comprehensive analytical data-based framework that supports and informs the monetary policy decision-making process. It incorporates analysis of key economic and financial development for the global economy as well as short-term forecasts and the QPM medium-term forecasts and risk analysis for the domestic economy. Much of this information is disclosed in the quarterly MPRs, and its accompanying statistical document.
Comments	Although the NBK's economic analysis and forecasting are extensive, the presentation of them in the quarterly MPRs could be improved. The MPR could be more logically organized and further streamlined. Some of the analysis is less relevant for the monetary policy decision (e.g., current account analysis is less important with a floating exchange rate). The backward-looking analysis should focus on identifying the current circumstances of the economy (that is, to estimate the starting point for the forecast.) The analysis in the MPR could be coherently organized, for example, to mimic the logical and chronological flow of the FPAS framework. Namely, the MPR could consider external elements first (because they are exogenous) and then domestic ones, as well as identify initial conditions for economic activity and inflation (nowcasting) before going on to explain the forecast, focusing on the key drivers of the economic outlook. Stakeholders expressed interest in seeing deeper explanations of the outlooks for oil and cereal prices assumed in the macroeconomic forecasts as well as more analysis of fiscal policy and the economic activity of quasi-public entities, which play a significant role in the

	Kazak economy. They also found that the MPR's alternative scenarios provided little additional insight. Different specifications of these alternative (risk or what if?) scenarios should be considered. Charts could be provided for these alternative scenarios that show the trajectories for output growth and inflation, with and without an endogenous monetary policy response. This would give readers a sense of how the NBK would react to such risks if they were realized (or in other words, the monetary policy reaction function). While the risk analysis in the MPR is helpful, the risk chart provided is difficult to understand. More explanation is needed. In general, charts and tables in the MPR should be self-explanatory and be readily accessible to readers. The NBK has published the specification of QPM, but not its computer code. It does not disclose all the information needed to allow interested stakeholders to replicate NBK's forecasts and conduct their own analyses of alternative scenarios.
Principle 2.2.	**Cross-Border Financial Flows and Foreign Exchange Administration:** The central bank is clear about its role in determining and implementing the policy on cross-border financial flows and FX administration. It discloses the objective(s), the legal and institutional frameworks it is acting under, its policy decisions, as well as the process by which policy decisions are taken.
Principle 2.2.1.	**Objectives and Framework**: The central bank discloses the policy's objective(s), legal and institutional frameworks, and the strategy to achieve the policy objectives. There is clarity whether the central bank can delegate some of its functions to implement policy decisions to other entities and on the modalities of such delegation.
Description	The legal and regulatory framework for cross border financial flows and FX administration is based on the Constitution of the Republic of Kazakhstan and consists of the Law of the Republic of Kazakhstan "*On Currency Regulation and Currency Control*" No. 167-VI dated 02.07.2018, other relevant Laws of the Republic of Kazakhstan, decrees of the President of the Republic of Kazakhstan, as well as regulatory legal acts of implementing regulations (by laws) issued by the regulatory bodies (in particular the NBK) in accordance with all relevant Laws. The Law "*On Currency Regulation and Currency Control*" sets the overall regulatory framework related to FX transactions, its goals and objectives as follows: • **Overall scope of the Law (Article 4)**. This Law shall be in force in the territory of the Republic of Kazakhstan and shall apply to residents and non-residents carrying out

	currency transactions in Kazakhstan. Outside Kazakhstan, this Law applies to residents (Article 4 of the Law). • **Goals and objectives of the Law (Article 4 of the Law)**. Its objective is to promote the state policy on achieving sustainable economic growth and development of international cooperation, to promote the stability of the balance of payments, the stability of the domestic FX market and the economic security of Kazakhstan (Article 4 of the Law). • **Coverage of the Law (Chapters 2 to 6 of the Law).** The Law sets the regulatory framework in force for: (i) FX transactions of residents and non-residents; (ii) FX payments and /or money transfers of residents and non-residents; (iii) the regulatory framework for resident and non-resident accounts; (iv) repatriation of export proceeds; (v) the domestic FX market; (V) the monitoring of FX transactions; (vi) the framework for FX controls, in particular the responsibilities of the various bodies involved in policy implementation; (vi) the conditions for the implementation of safeguards measures in case of emergency (subject to approval by the Government of Kazakhstan). • **Role of the NBK**. The NBK is only involved in the implementation of the policy (together with other relevant public agencies) in a capacity of "*main body of FX regulation in the Republic of Kazakhstan*" (Article 5). The contributions of the NBK to the preparation of draft laws on cross-border flows and FX administration follow the process in place in the Republic of Kazakhstan for drafting and adopting laws as defined in the Constitution of Kazakhstan.
Review	***Not applicable*** The policy on cross-border flows and FX administration is set in a Law of the Republic of Kazakhstan. The NBK is involved in its implementation (together with other relevant public agencies) in a capacity of "*main body of FX regulation in the Republic of Kazakhstan*".
Comments	
Principle 2.3.	**Foreign Exchange Management:** The central bank clearly and publicly discloses its FX policy objectives, including the hierarchy of objectives and the operational framework and instruments of FX interventions.
Principle 2.3.1	**Objectives and Framework**: The central bank discloses its policy objectives and legal, operational, and institutional frameworks, consistent with the chosen FX regime.

Description	As explained in 2.1.1, the NBK's monetary policy framework consists of two pillars: an explicit medium-term inflation target of close to 5 percent and a de jure exchange rate arrangement of a floating exchange rate. (Note: The IMF (2024) classifies Kazakhstan's exchange rate regime as floating, not free floating.) As noted in 2.1.1., the floating tenge exchange rate regime was announced in a joint statement with the government in 2015. Although the NBK generally abstains from active FX market intervention to influence the value of the exchange rate, so that it is largely market determined, the NBK will buy and sell FX, primarily the US dollar in the spot market, for three prescribed reasons (Monetary Policy Strategy 2030): i. to attain the desired level or composition of FX and gold reserves for Kazakhstan; i. to smooth excessive market volatility and restore market functioning when market conditions are disorderly to promote financial stability; and i. to buy and sell FX as an agent on behalf of the government or other public agencies such as the National Fund or the Unified Pension Fund. When acting as an agent, the NBK respects the principles of market neutrality and transparency. It strives to minimize the impact of these large transactions on the FX market. It advises market participants of their likely occurrence ex ante (most notably, transfers from the National Fund to the government and purchases for the Pension Fund) in the monthly Bulletin in the FX Market and by smoothing the volume of transactions over time. Consequently, the NBK is a daily and significant participant in a relatively illiquid FX market. It provides a summary of these transactions after their occurrence on a monthly basis. In 2025, the NBK began purchasing gold from domestic producers to hold in reserves and sterilizing the impact on domestic monetary conditions by selling FX.
Review	***Expanded*** The NBK discloses its approach to exchange rate management: namely, that the exchange rate is primarily market-determined and that if it were to intervene in the FX market to influence its value, it would only do so under conditions of excessive exchange rate volatility and disorderly market conditions. However, this stated approach of limited intervention in the FX market is clouded by its active participation in the market as an agent of the government and other public agencies. Nonetheless, it strives to minimize the impact of these market operations and to be transparent about them.

Comments	Kazakhstan's floating exchange rate, and the NBK's approach to exchange rate management are disclosed and generally understood by external stakeholders. However, the NBK's active operations in the FX market as an agent of the government complicates their understanding. Therefore, the NBK's approach to exchange rate policy and management should be explained in greater depth in a prominent place on its website to give external stakeholders a better understanding of the framework for such interventions, including objectives, principles and instruments. Its disclosure of these transactions should make clear distinction between "interventions", the transactions taken to reduce excessive exchange rate volatility and restore market functioning, and "operations", the transactions or operations conducted as an agent on behalf of the government or other public agencies.
Principle 2.3.2.	**Policy Decisions**: The central bank discloses its decision-making process, including the rationale for FX management instruments, and the means and methods of reaching a decision. The potential impact of its policy decisions is explained in a timely manner.
Description	The NBK only intervenes in the FX rate market to influence the value of the exchange rate on an exceptional basis when market functioning is impaired and exchange rate volatility is excessive. These decisions are made by the Deputy Governor on the advice of the Monetary Operations Department based on the Department's analysis of demand and supply conditions in the market. Decisions about FX market interventions are disclosed in official information notices. A brief explanation of the decision is provided in the notice and the volume of FX purchased or sold is disclosed in a separate publication on a monthly basis.
Review	***Expanded*** Decisions by the NBK to intervene in the FX market to restore market functioning are disclosed on a timely basis, and a brief rationale for the intervention as well as its size are also provided. The National Bank regularly publishes information about planned FX transactions of the National Fund on a monthly basis. Data about actual volumes of transactions carried out are posted at the end of each reporting month. In case of currency interventions, official information messages are additionally issued, accompanied by detailed statistics. Thus, financial market participants have an access to complete and timely information about the

	National Bank's currency transactions, which helps form transparent expectations and increase trust in the regulator's actions. However, the decision-making and reporting of some NBK FX transactions, for example, the purchase of JSC Kazatomprom in 2024 by National Fund, for which the NBK served as an agent, were more opaque. While the volumes were disclosed, the nature of the transaction and its rationale were not.
Comments	The NBK does not provide detailed disclosure about the decision-making process or the operational rules for its FX intervention policy. A consistent approach should be adopted for disclosing all transactions in the foreign market exchange market that are classified as "interventions" versus those "operations" that it undertakes as the government's agent. New and unusual transactions should be explained in greater depth and disclosed.
Principle 2.3.3.	**Supporting Analysis**: The central bank discloses its assumptions, transmission channels, and analysis backing the intervention policy decisions, as well as ex-post evaluation of economic impact.
Description	The public information notices that disclose a FX market intervention intended to smooth excess exchange rate volatility and restore market functioning provide a high-level explanation of the rationale for the action. The demand-supply analysis underpinning the decision is not explained in detail. The size of the intervention is disclosed with a lag on a monthly basis. The NBK also does not provide any information on an ex-post evaluation of the impact of the intervention. The monthly Bulletin on the FX market discloses information about FX operations conducted by the NBK on behalf of the government and other public agencies. It also includes information about the volume of these transactions likely to be conducted over the upcoming month. These bulletins also provide information on recent movement of the exchange rate as well as the average daily trading volume on the Kazakhstan Stock Exchange. On a monthly basis, the NBK publishes data on its website on its FX market transactions divided into two tables classified as "interventions" and "operations". As explained earlier, it is not clear whether this distinction is consistently applied. These tables also do not seem to include the FX market operations from the recent decision to sterilize NBK gold purchases from domestic producers.

Review	***Expanded*** The NBK discloses information about the volume of the transactions that it undertakes in each month and provides some indication of expected volume in the coming month. However, these data, while complete, are not consolidated in a single source and may not be consistently classified. Some information is also disclosed about decisions to intervene to address excess volatility in the market, but limited detail of the underlying analysis is provided. In addition, no ex-post analysis of the impact is disclosed.
Comments	The NBK should improve its reporting of its involvement in the FX rate market. FX market activity, especially new and unusual transactions, should be described in more depth and disclosed. Ex-post analysis of interventions to smooth excess exchange rate volatility and restore market functioning should be carried out and disclosed. The disclosure of data on the volume of the transactions in the foreign should be consistently classified and reported on a consolidated basis on one location. External stakeholders found it difficult to pull together all of the volume data disclosed in different locations on the website.
Principle 2.4.	**Foreign Exchange Reserve Management:** The central bank discloses its policy objectives for FX reserve management, along with key considerations behind the policy, details on how oversight responsibility is allocated, and the potential impact of the policy.
Principle 2.4.1.	**Objectives and Framework**: The central bank discloses broad investment objectives, operative models, how it allocates oversight responsibility, and the institutional framework of its policy decisions.
Description	NBK actions with regard to its FX reserve management function are disclosed in the NBK Board Resolution "*On Determining the Basic Principles of Management of Assets in Foreign Currency and Precious Metals, Including Their Structure*" No. 59 dated July 21 2023, available on the NBK Russian website. This Resolution outlines the basic principles of managing assets in foreign currency and precious metals. The Resolution includes the following key points: • **Purpose and Structure**: The document establishes the requirements for managing assets in foreign currency and precious metals, including their structure and the types of risks involved.

- **Cancellation of Previous Resolutions**: It cancels previous resolutions related to the management of assets in foreign currency and precious metals.
- **Risk and Compliance**: The RCD is responsible for bringing the resolution to the attention of the relevant subdivisions.
- **Implementation and Control**: The resolution enters into force on the date of its adoption, and control over its implementation is entrusted to the Deputy Chairman of the National Bank.
- **Asset Management Principles**: The document details the principles of asset management, including safety, liquidity, profitability, and risk management.
- **Decision-Making and Delegation**: It outlines the requirements for the decision-making system and delegation of authority in asset management.
- **Assessment of Effectiveness**: The effectiveness of asset management is assessed annually, and provisions are made for expected credit losses.
- **Transactions with Derivative Financial Instruments**: The document includes requirements for transactions with derivative financial instruments, such as futures, forwards, swaps, and options.

The NBK Investment Strategy available on the Russian NBK website and approved by the NBK Board in compliance with the above-mentioned NBK Board Resolution provides additional detailed information as follows:

- The Strategic Assets Allocation (SAA) is reviewed by the NBK Board at least once a year.
- The total volume of the liquidity portfolio, investment portfolio and external gold of the gold portfolio is at least two-thirds of the total volume of the gold portfolio minus the internal gold of the gold portfolio. Target asset allocation between the investment and strategic portfolios is up to 70 percent for the investment portfolio; and at least 30 for the strategic portfolio.
- The Investment Strategy includes a detailed list of eligible assets, including minimum credit ratings for assets foreign currency and gold deposits with counterparties.
- The Investment Strategy assigns the operational responsibility for its implementation to the NBK Monetary Operation Division, and it lists those operations which can only be undertaken with the written permission of NBK Chairman or his deputy in charge of the NBK Monetary Operations.

	• The Investment Strategy includes the key parameters to be followed for the various portfolios (duration, currency, rules for transfers between portfolios, deviations allowed from pre-set parameters…). • The Investment Strategy list the various reporting documents and their periodicity (daily, quarterly) to be produced by the operational NBK Division (i.e., the Monetary Operations Division). • The Investment Strategy includes the provisions applicable to securities lending operations. • The Investment Strategy includes a number of tables related to the various quantitative limits that apply to the various portfolios (Sectoral distribution of the investment portfolio, Currency composition, Maximum deviations by instrument class that apply to some portfolios…). The NBK Annual Report (pages 29–30 of the 2023 NBK Annual Report), provides a summary of the NBK actions during the period under review in accordance with the Investment Strategy. It involves the division of the international reserves into five portfolios depending on the goals of profitability, liquidity and safety of assets: investment portfolio; strategic portfolio; liquidity portfolio; alternative instrument portfolio, and gold portfolio, with the following goals: • The goals of the **investment portfolio** are to preserve and increase the return on assets in the short and medium term. The portfolio assets are placed on bond markets of developed countries. Details on the currency structure, and return on investment are provided in the NBK Annual Report. • The purposes of the **strategic portfolio** are to provide a return on assets in the medium- and long-term perspectives and to diversify gold and FX assets. Details on the return of the strategic portfolio are provided in the NBK Annual Report. • The **liquidity portfolio** is held for conducting money market operations for the purpose of monetary policy implementation, for maintaining a high level of liquidity as well as for servicing the external government debt. Generation of excess return is not the purpose of the liquidity portfolio asset management. • The **alternative instruments portfolio** is designed to diversify and increase the return on gold and FX assets in the long term. Its assets can be invested abroad in areas such as private equity, hedge funds, funds of funds, real estate, infrastructure and equities. Details on the return of the alternative instruments' portfolio are provided in the NBK Annual Report.

	• The **gold portfolio** consists of internal and external gold, portfolio assets are also placed on deposits for a term not exceeding one year. The purpose of managing assets in gold is safety and protection from a possible decrease in the attractiveness of assets in currency in international financial markets. Details on the return of the gold portfolio are provided in the NBK Annual Report.
Review	***Comprehensive*** The NBK Board Resolution, supplemented by the Investment Strategy and information on their implementation in the NBK Annual report (all available on the NBK website) provide a comprehensive information on the broad investment objectives, operative models, how it allocates oversight responsibility, and the institutional framework of its policy decisions. With regard to policy decisions, the Investment Strategy provides the rationale for setting up the various portfolios, and the NBK Annual Report summarizes them as well. Interactions with other policies can be derived from the information disclosed regarding the metrics considered to assess the adequacy of international reserves (see Principle 3.4.3 below).
Comments	
Principle 2.4.2.	**Policy Decisions**: The central bank discloses key elements of policy formulation, related risk exposures, instruments, decision-making hierarchy, and the oversight allocation process.
Description	The NBK's gold and FX assets are managed in accordance with the above-mentioned NBK Board Resolution and the implementing NBK Investment Strategy. The Investment Strategy includes the information related to portfolios risk exposures, instruments for investing, investments decision-making hierarchy, and portfolios allocation ranges. Chapter 6. of the NBK Board Resolution "*Requirements for the decision-making system and delegation of authority in asset management*" describes the decision-making hierarchy and oversight allocation process as follows: • **The NBK Board** approves: (i) the investment strategy for asset management; (ii) the procedure for transferring assets to external managers; (iii) external managers; (iv) the investment strategy for managing the portfolio of alternative instruments; approves the procedure and methodology for calculating the maximum credit risk limits for transactions with counterparties; admissibility of investments in securities and other financial instruments denominated in non-convertible currencies. • **The NBK Risk Committee** develops recommendations on asset risk management, including the determination of risk indicators and their parameters.

	• **The NBK Investment Committee** develops recommendations regarding the formation and implementation of investment policy in the field of asset management, including the formation of asset investment tactics. • **The NBK Monetary Operations Division**: (i) invests assets in accordance with investment strategies; (ii) monitors the results of asset management; (iii) annually submits to the Investment Committee the results of investment management and proposals on the expediency of changing the reference portfolios for portfolios managed by the NBK, taking into account expectations in the financial markets; (iv) carry out measures to select external managers and monitor the activities of each selected external manager. • **The NBK Risk and Compliance Unit**: (i) develops a risk management methodology and develops proposals for its improvement; (ii) submits to the NBK Risk Committee information on exposure to credit, market and liquidity risks and current restrictions on asset management; (iii) determines provisions for expected credit losses; (iv) determines the requirements for the creditworthiness of the NBK's counterparties and the requirements for financial instruments. In addition, the Investment Strategy discloses: (i) key elements of policy formulation (ensure the liquidity and asset safety, as well as increase profitability in the medium and long term of the international reserves); (ii) detailed risk exposures parameters for each portfolio, as well as for the instruments (i.e.; minimum credit ratings); (iii) the decision-making hierarchy and oversight allocation process (overall responsibility with the NBK Monetary Operation Division, and those transactions that can only be undertaken with the written permission of NBK Chairman or his deputy in charge of the NBK Monetary Operations).
Review	***Expanded*** The NBK discloses the key elements of policy formulation, related risk exposures, instruments, decision-making hierarchy, and the oversight allocation process in the NBK Board Resolution and the accompanying Investment Strategy, all available on the NBK website. For disclosures related to the contribution of the risk and investment committees, see Principle 4.4.1 below.
Comments	While NBK provides comprehensive information on decision-making hierarchy and key considerations, it does not disclose ex-post deliberations of the Investment Committee with sufficient lag and level of confidentiality.
Principle 2.4.3.	**Supporting Analysis**: The central bank discloses the key assumptions and review process related to its policy decisions.

Description	The Investment Strategy includes a discussion on basic concepts used in the Strategy, as well as the rationale for the creation of several portfolios with well-defined objectives and risk control parameters. The NBK Annual Report reports on the NBK Board decisions during the period under review, including data on the FX reserves and FX assets amounts and major changes in its structure; it also provides elements of the rationale for the decisions. For instance, the 2023 NBK Annual Report discusses the circumstances leading to the creation of the portfolio of alternative instruments, as well as its objectives. Tactical asset allocation decisions are conducted in accordance with the recommendations of the NBK Investment Committee which is an internal consultative and advisory body. Its recommendations are not disclosed as they may include market sensitive information.
Review	***Comprehensive*** The Investment Policy discusses the analysis backing its strategic decisions leading to the creation of a diversified range of portfolios. Additional disclosures in the NBK Annual Report on specific policy decisions during the period under review supplement the information provided in the Investment Strategy regarding the rationale for changes during that period.
Comments	
Principle 2.5.	**Macroprudential**: The objectives, decision-making process, and instruments of macroprudential policy are clearly communicated to the public. Indicators and supporting analysis to assess the need for macroprudential measures are disclosed alongside policy decisions.
Principle 2.5.1.	**Objectives and Framework:** The central bank discloses its macroprudential policy framework, including its objectives, instruments, and strategy for achieving its objectives.
Description	Pursuant to Article 51-1 of its Law, the NBK, independently and/or in conjunction with other government bodies within the scope of their authority. To help ensure the stability of the financial system the NBK: (i) conducts regular monitoring of macroeconomic and macro-financial factors affecting the stability of the financial system; (ii) formulates a macroprudential policy; (iii) provides ELA support in the manner and on the terms stipulated by this Law and a joint NBK Board Resolution of the NBK and the ARDFM. The Decree of the President of Kazakhstan dated December 18, 2019, No. 220 «*About the Financial Stability Council (FSC) of Kazakhstan*» specifies in great detail the role and responsibility of the FSC of Kazakhstan, and in particular the role of the NBK as "*The working body of the Council*'. The scope of the responsibilities of the Council include:

	macroprudential policy; issues related to the measures to prevent the emergence of a financial crisis; and issues related to the measures to resolve or rehabilitate insolvent banks. The NBK, the Republic of Kazakhstan government, and the ARDFM cooperate on matters related to the stability of the financial system by: (i) informing one another of proposed actions and results achieved that are of nationwide importance; (ii) performing joint assessments of risk factors for financial stability; (iii) developing, adopting, and implementing a package of coordinated decisions aimed at minimizing systemic risk, preventing the occurrence of a financial crisis, and minimizing the consequences thereof; and (iv) concluding a Memorandum of Understanding (MOU) on financial stability issues. In 2007 a MOU posted on the NBK Russian website was concluded defining the basic principles of ensuring financial stability, the tasks and role of each of the parties to ensure financial stability in accordance with the legislation of the Republic of Kazakhstan, the procedures for information exchange, as well as the principles and mechanisms for minimizing the negative effect of systemic crises. In particular, the Government, the NBK, the ARDFM reached an agreement: (i) on the principles of providing state support and procedures for the application of other instruments of state regulation in order to ensure financial stability; (ii) on the optimal basic conditions for the issuance of loans by the National Bank as a LOLR; (iii) on the expediency of the participation of the Government of the Republic of Kazakhstan in the management of "troubled" assets of second-tier banks in the event of the emergence of appropriate conditions and the need to use this mechanism. The updated MOU is expected to be developed after a new Law on Banks is approved. Within this MOU, roles and tasks of the participants in the financial security network within the anti-crisis management, including the role of the Ministry of Finance, will be defined. Pursuant to Article 51-2 of the NBK Law, macroprudential policy is understood to mean a package of measures aimed at reducing systemic risks in the financial system. For purposes of the development of macroprudential policy, the NBK is tasked with the following responsibilities: (i) perform regular monitoring of systemic risks in the financial system; (ii) in consultation with the authorized body responsible for the regulation, oversight, and supervision of the financial market and financial institutions, determines the procedure for the designation of financial institutions as systemically important and compiles a list of systemically important financial institutions; (ii) independently or in conjunction with other government bodies within the scope of their authority, presents measures aimed at ensuring financial stability for consideration by the FSC of the Republic of Kazakhstan; (iv) independently or in conjunction with the Republic of Kazakhstan government, imposes restrictions on the performance of certain types of banking and other operations by financial institutions in the event of a threat or the occurrence of a systemic financial crisis. In August 2024 the NBK disclosed its macroprudential framework in a document *"On the macroprudential policy of the National Bank of the Republic of Kazakhstan"* published on its website. This document sets out the vision and approaches of the NBK to the policymaking,

implementation and communication of the macroprudential policy. This document was prepared taking into recommendations and guidance of the IMF, the Financial Stability Board (FSB), the Basel Committee on Banking Supervisions, the European Systemic Risk Council and other international organizations in the field of macroprudential policy. It discloses the macroprudential framework in place in Kazakhstan, including its objectives, instruments, and strategy for achieving its objectives as follows:

- **The NBK is vested with the authority to form macroprudential policy with the framework of ensuring the stability of the financial system**. According to Article 51-1 of its Law, the NBK, independently or jointly with other state bodies within their competence, develops and implements measures aimed at ensuring the stability of the financial system. In order to promote the stability of the financial system, the NBK forms a macroprudential policy, which is understood as a set of measures aimed at reducing systemic risks of the financial sector.

- **Currently, the NBK's macroprudential policy is focused on systemic risks associated with the banking sector**, which is due to the dominant role of banks in the financial sector of Kazakhstan. At the same time, at present, the securities and insurance markets do not pose systemic risks to the stability of the financial system. In the future, as these markets continue to develop, the perimeter of macroprudential policy will be expanded, if necessary.

- **Monitoring of systemic risks**. NBK: (i) regularly monitors the systemic risks of the financial system (in coordination with the ARDFM), determine the procedure for classifying financial institutions as systemically important and form a list of systemically important financial institutions; (ii) submits for consideration by the FSC of the Republic of Kazakhstan measures aimed at ensuring financial stability;—in the event of the occurrence or threat of a systemic financial crisis, independently or jointly with the Government of the Republic of Kazakhstan, imposes restrictions on the conduct of certain types of banking and other transactions by financial institutions.

- **Intermediate goals of the NBK's macroprudential policy**. Based on the recommendations of the IMF and in line with international practice, in particular, the experience of the ESRB, the NBK has identified the following intermediate goals as operational benchmarks for macroprudential: (i) reducing and preventing excessive growth in lending and leverage; (ii) reducing and preventing excessive mismatch of maturities and market (iii) limiting structural risks associated with systemically important banks.

- **Principles of macroprudential policy**. Within the framework of implementation of macroprudential policy, the NBK adheres to of the following principles: (i) Prevention: the NBK makes early decisions to reduce systemic risk before it materializes using the most effective tools; (ii) Guided discretion: decisions in the field of macroprudential

policy are not made mechanically, relying solely on the results of quantitative risk assessment, as well as using the expert judgment of the NBK; (iii) Flexibility: the choice of systemic risk; (v) Effective coordination: the NBK exchanges information and coordinates actions in the field of macroprudential policy implementation with the ARDFM and the Government through the Financial Stability Board of the Republic of Kazakhstan; (vi) transparency: the NBK actively interacts with financial market participants, ensuring open communication and ongoing dialogue on macroprudential policy initiatives, including by inviting representatives of the Association of Financiers of Kazakhstan to meetings of the Financial Stability Board, holding joint working groups and discussions. Transparency at all levels of decision-making is a fundamental principle, which ensures policy sector.

- **Macroprudential Policy Tools.** Macroprudential policy instruments are mainly represented by prudential instruments, calibrated to reduce systemic risks. There is no explicit list of macroprudential tools at the legislative level, despite the fact that such tools are already used in practice. Al instruments of banking regulation (capital adequacy ratios, liquidity ratios, risk limits, etc.) are considered prudential standards and are enshrined in legislation and by-law, which refers to competence of the ARDFM as a body authorized to establish prudential standards. The absence of a formal list of macroprudential policy instruments and the assignment of responsibility for them to the NBK increases uncertainty and the likelihood of delay in responding to systemic risks. As part of the 2024 Financial Sector Assessment Program (FSAP) of Kazakhstan, the IMF also recommended clarifying the roles and responsibilities of the NBK and the ARDFM in relation to macroprudential policy and update the MOU on Financial Stability issues to strengthen inter-agency cooperation.

- **At the legislative level**, a list of macroprudential policy instruments will be determined, which will be included in the competence of the NBK. A specific list of instruments will be formed taking into account discussions with the ARDFM, based on the principles of necessity and adequacy. Currently, the NBK is already monitoring the indicators of the countercyclical capital buffer (CCyB), setting the value of the borrower's debt burden ratio, and also compiling a list of systemically important financial institutions with proposals for a sectoral and positive cycle-neutral CCyB. In order to reduce systemic risks, the NBK will also submit proposals for the revision of existing prudential standards for consideration by the Financial Stability Board of the Republic of Kazakhstan.

- **Strategy for achieving the objectives.** Interactions with the ARDFM plays an important role in that regard. As part of a joint mandate to promote the stability of the financial system, the NBK and the ARDFM closely coordinate in the field of prudential regulation, including through cross-participation in the bodies of the NBK's and the ARDFM's Boards. In international practice, certain microprudential instruments, i.e. instruments aimed at ensuring the stability of individual financial institutions, can also be used to reducing systemic risks. The NBK and the ARDFM have the right to propose

	to each other and jointly consider the need to change macroprudential and microprudential instruments. • **Institutional aspects of macroprudential policy in Kazakhstan.** By Decree of the President of the Republic of Kazakhstan dated December 18, 2029. No. 220, a FSC of the Republic of Kazakhstan (hereinafter referred to as the Council) was created. The Council shall carry out interdepartmental coordination on issues of ensuring the financial stability in Kazakhstan. The Council shall be a consultative and advisory body under the President of the Republic of Kazakhstan. • *Scope of responsibilities.* The Council must consider issues related to the adoption of macroprudential policy measures and anti-crisis measures. In addition, as part of the main tasks to promote financial stability, the Council may submit proposals for consideration by its members, including on microprudential regulation. Decisions of the Council are advisory in nature. • *Composition of the Council.* As set in the above mentioned Decree, the Council members are as follows: (i) Chairman of the NBK, Chairman of the Council, (ii) Deputy Head of the Administration of the President of the Republic of Kazakhstan or Assistant to the President of the Republic of Kazakhstan in charge of socio-economic issues; (iii) Chairman of the ARDFM; (iv) Minister of Finance; (v) Minister of National Economy; and (vi) on the recommendation of the IMF, the AIFC Governor was included at the end of 2023 to strengthen interaction with the Astana International Financial Centre (AIFC) on financial stability issues. • *Secretariat of the Council.* The NBK acts as the Secretariat of the Council and monitors the implementation of its decisions with the receipt of information on the implementation or non-implementation of the decisions of the Council with the appropriate justification from state bodies. To increase the efficiency of coordination on financial stability issues, the NBK plans to create permanent or temporary working groups under the leadership of the director of the structural unit acting as the secretariat of the Council, for the prompt exchange of information on the assessment of systemic risks and the development of proposals for macroprudential measures and tools. In addition, working groups can be created by a decision of the Council at the initiative of any of its members. • *Decisions of the Council and their dissemination in the public.* Decisions of the Council shall be adopted by a simple majority of votes and shall be of a recommendatory nature. In case of equality of votes, the vote of the chairperson is decisive. Members of the Council have the right to a dissenting opinion, which, if expressed, must be set out in writing and attached to the minutes. Decisions of the Council may be published in the media or brought to the attention of financial market participants in any other way in accordance with the current legislation of the Republic of Kazakhstan. In practice, a

	Press Release is published on the NBK Russian website after each meeting of the Council (see for instance the March 3, 2025, Press Release on the CCB instrument). • *Monitoring of the implementation of Council recommendations*. State bodies shall provide the secretariat of the Council with information on the implementation or non-implementation of the decisions of the Council with the appropriate justification no later than 3 (three) months from the date of the adoption of the relevant decision by the Council or within the time limits specified in the decision of the Council. No disclosures are made by the NBK in this regard. The above-mentioned August 2024 NBK document "*On the macroprudential policy of the National Bank of the Republic of Kazakhstan*" followed the recommendations of the 2023 FSAP to consider amending the legal and regulatory framework for macroprudential policies to clarify the roles and responsibilities of the public agencies involved in policy design and implementation. So far, no changes were made to the legal framework or to the 2007 MOU covering those issues. The NBK utilizes its meeting of the Expert-Analytical Discussion Club, that include the participation of the academic community, experts, representatives of the financial market and the ARDFM, to discuss issues relative to its implementation of macroprudential policies. • During the September 2024 meeting the conclusions of the 2023 FSAP were reviewed. • The following issues were discussed at the January 2025 meeting: (i) the NBK's vision for the formation, implementation and communication of macroprudential policy presented in the document "*On the Macroprudential Policy of the National Bank of the Republic of Kazakhstan*"; (ii) approaches developed by the NBK to strengthen its mandate in the area of macroprudential policy in accordance with the recommendations of international organizations. The meeting included an active public discussion regarding the plans to clarify the NBK's authority to establish macroprudential standards and limits, as recommended by the 2024 IMF FSAP; (iii) NBK experts' presentations on the results of an economic study on assessing the sustainability of the external sector. • The following issues were discussed at a March 2025 meeting: (i) detailed approaches and calculations for the introduction of the sectoral CCyB. Shortly after the meeting the Council ***decided*** to introduce such instrument by April 1, 2026; (ii) NBK expert presentations of the results of the analysis of the effectiveness of the mechanism of minimum reserve requirements. The NBK indicated that it is in the process of amending the legislation to separate macroprudential tools from other prudential requirements, and to directly assign macroprudential instruments to the NBK, in line with recommendations of the last IMF FSAP.

	Upon enactment of the legal amendments, the NBK will amend the NBK Board Resolution on macroprudential tools.
Review	***Comprehensive*** The macroprudential policy framework in place in Kazakhstan, including its objectives, instruments, and strategy for achieving its objective, as well as the central role given to the NBK is disclosed through a number of tools, first the NBK Law regarding its financial stability mandate, then the related Presidential Decree, and finally a NBK Note recently updated. All this information is available on the NBK Russian website. The NBK English website provides a summary of all these information. Meetings of the Expert-Analytical Discussion Club have been utilized to discuss issues related to the conclusions and recommendations of the IMF 2023 FSAP, in particular regarding the need to clarify the roles and responsibilities of the public agencies involved in macroprudential policy design and implementation.
Comments	
Principle 2.5.2.	**Policy Decisions:** The central bank publicly announces its macroprudential policy decisions in a timely manner and discloses the decision-making process leading up to macroprudential action.
Description	The decisions of the Council for Financial Stability of the Republic of Kazakhstan are disclosed to the public via a NBK Press Release published on the NBK Russian website shortly after each meeting of the Council. Furthermore, Section VI of the NBK FSR "*Activities of the Council for Financial Stability of the Republic of Kazakhstan*" provides a summary of the meetings of the Council, including the recommendations that were adopted in that context. The FSR includes also a discussion of the measures taken by the NBK in response to recommendations of the Council for Financial Stability. In that context, the 2023 FSR discusses NBK actions with regard to: (i) introducing a framework for the institution of primary dealers to develop the government securities market and to increase its liquidity and efficiency; (ii) developing new indices to monitor financial stability conditions; (iii) implementing a contractionary monetary policy, and commenting that, based on incoming statistics, these measures helped limit the demand and significantly increase the population's propensity to save, thus curbing inflation; (iv) elaborating the introduction of a sectoral CCyB. The NBK provided a detailed explanation and benefits of macroprudential policy decisions in the context of macroprudential policy objectives through the above-mentioned document "On the macroprudential policy of the National Bank of the Republic of

	Kazakhstan". In addition, the National Bank periodically publishes analytical and discussion papers. As discussed in Principle 2.5.1, the NBK utilizes its meeting of the Expert-Analytical Discussion Club, to discuss issues relative to the design and implementation of macroprudential policies, which allow for direct exchange of opinions and discussion among all participants on relevant initiatives and their impact on the banking sector the sector and the financial system as a whole.
Review	***Comprehensive*** The recommendations of the Council for Financial Stability are timely disclosed by the NBK due to its leading role in the implementation of macroprudential policies. Those measures falling directly under the responsibility of the NBK are discussed and disclosed in a timely fashion via the NBK Board Resolutions, all available in the NBK Russian website. Discussions in the context of the Expert-Analytical Discussion Club allow for direct exchange of opinions and discussion among all participants on relevant initiatives and their impact on the banking sector the sector and the financial system as a whole (see Principle 2.5.2 for details).
Comments	
Principle 2.5.3.	**Supporting Analysis**: The central bank discloses the key indicators and analyses used to assess the need for macroprudential measures. It explains the rationale and the expected transmission channels of policy instruments in achieving their objectives.
Description	The NBK discloses on its Russian website comprehensive information on the rationale and design of its macroprudential instruments (see for instance the paper "*On Some Issues of Application of the Countercyclical Capital Buffer and its Modifications*"). Furthermore, the NBK FSR is utilized to publish the summaries of the results of research work and analysis of risks in the financial stability area, as well as relevant developments that may not be under the direct responsibility of the NBK. The FSR discusses developments in the sectors for which a macroprudential instrument is in place. On the outcome of NBK analysis related to macroprudential issues, the 2023 FSR includes the following information: • A summary of NBK research work to identify signs of instability and better prepare for future crisis that involves developing new indices to monitor financial stability conditions (Box 1.1 Financial Vulnerability Index). • A description of the Law "*On Restoring Solvency and Bankruptcy of the People of the Republic of Kazakhstan*" (Box 1.2). • A description of the Treasury's buyback and switch programs, as well as on the benefits of instituting primary dealers (Boxes 2.1 and 2.2).

	• A description of the new government mortgage programs (Box 3.1). • Results of a study on "*Assessing Financial Soundness of Enterprises using Altman Z-acore*" (Box 4.1). • A description of the Liquidity Coverage Ratio in Foreign Currency (FX LCR) in place in Kazakhstan, and results from its implementation (Box 5.2). • A discussion on "*The Use of Countercyclical Capital Buffer (SCCB) and its Modifications*" (Box 5.3). In its FSR, the NBK discusses the effect of the actions in its area of responsibility that are relevant from a macroprudential perspective. For instance, the 2023 SFR commented that, based on incoming statistics, its contractionary monetary policy stance helped limit the demand and significantly increase the population's propensity to save, thus curbing inflation.The NBK discloses Macroprudential indicators its website, relevant for macroprudential related issues, in the form of charts. Among others, these indicators cover credit risks in the banking sector, indicators of risks on loans to the corporate, risk indicators for loans to the household sector, indicators of liquidity and funding risks in the banking sector, and dollarization risk indicators. As discussed in Principle 2.5.1, the NBK utilizes its meeting of the Expert-Analytical Discussion Club to discuss the design and implementation of macroprudential policies and instruments.
Review	***Comprehensive*** In addition to the disclosures contained in the NBK annual FSR, the NBK discloses the key indicators and analyses it uses to assess the need for macroprudential measures and their rationale and expected transmission channels in the Press Releases following the meetings of the Council of Financial Stability, as well as in the context of the periodic meetings of the Expert-Analytical Discussion Club set up by the NBK, that include the participation of the academic community, experts, representatives of the financial market and the ARDFM (see also Principle 2.5.1). Key indicators to assess the need for macroprudential measures are also disclosed by the NBK.
Comments	
Principle 2.6.	**Microprudential Supervision**: Selected principles from BCP, ICP, and IOSCO.
Description	Reference as per Section III.F. of the Guidance Note

Principle 2.7.	**Emergency Liquidity Assistance (ELA)**: The central bank discloses the scope and objectives of ELA, while maintaining the necessary confidentiality, to preserve financial stability and in support of monetary policy and its implementation.
Principle 2.7.1	**Market-wide Liquidity Support:** The central bank discloses the scope and objectives of market-wide liquidity support, while maintaining the necessary confidentiality, to preserve financial stability and in support of monetary policy and its implementation.
Description	Article 30 of the National Bank Law lists monetary operations that can be conducted by the NBK, which include purchase and sale of securities and "other operations by the decision of the Board". However, the NBK employs a standard set if monetary Instruments. The NBK has the authority to set the terms and parameters of these operations. The NBK hasn't provided market-wide liquidity support through loans to banks since post-Covid period and the ELA framework is more focused on bilateral liquidity support.
Review	*Not applicable*
Comments	
Principle 2.7.2	**Bilateral Liquidity Support:** The central bank discloses the scope and objectives of bilateral liquidity support, while maintaining the necessary confidentiality, to preserve financial stability and in support of monetary policy and its implementation.
Description	The scope, objectives, principles and procedures of the ELA are disclosed by the NBK and the official website and dedicated legal database. The NBK's role as LOLR is defined in the Article 51-3 and joint regulatory acts between the NBK and the ARFDM and other legal acts. The NBK may provide ELA to financially sound and well-capitalized, but temporarily illiquid banks that experience idiosyncratic liquidity shocks, to maintain the stability of the financial system and at its full discretion and subject to conditions established by the NBK. The loans could also be provided to systemically important infrastructure financial institutions. Eligibility criteria include formally signing of the agreement on general terms and conditions for the provision of a loan in accordance with Chapter 3 of the Rules joint decree of NBK and the Supervision Agency. The implementation of the ELA, decision making procedures and coordination for issuing the ELA are embedded in a joint decree of the NBK Board and the ARDFM approved on May 5, 2020 with amendments from December 24, 2024, on the "Rules on Loans of Last Resort provided by the NBK". The Rules define the procedure for granting loans by the NBK of last resort to second-tier banks, types of collateral (market assets; non-market assets) and requirements for them, the amount of discount and the procedure for determining it, the

	procedure for prepositioning non-market assets, etc. The Rules contain the norm of collateral prepositioning as the requirement for the LOLR issuance. Six principles of the ELA framework are outlined in LOLR function: Financial Stability Objective: LOLR operations are explicitly framed as financial stability tools, not part of the NBK's monetary policy toolkit. Targeted Use: LOLR assistance is provided only to cover idiosyncratic liquidity shocks. Funds are not intended to support bank recapitalization or balance sheet expansion. Solvency Requirement: Eligibility does not guarantee access, and lending remains at the NBK's discretion. Collateralization: All loans must be fully collateralized. Acceptable collateral includes liquid marketable assets, and, subject to pre-positioning and prior valuation, high-quality credit portfolios and real estate. Market-Based Terms: Loan maturities range from 14 to 90 days, renewable up to three times, with a maximum term of one year. The interest rate is not lower than the NBK's policy rates, and all lending is denominated in Kazakhstani tenge. Monitoring and Oversight: The NBK conducts regular monitoring of bank solvency to ensure the prudent application of the LOLR mechanism.
Review	***Comprehensive*** The Legal basis for ELA is laid out in the NBK Law, and further detailed in Regulation of the NBK and the ARDF. The ELA Regulation includes all the comprehensive transparency practices for ELA, based on international practices. Notably: institutional eligibility, conditionality, supervisory intrusion, and financial parameters.
Comments	
Principle 2.8.	**Resolution**: Selected principles from KA
Description	Reference as per Section III.F. of the Guidance Note
Principle 2.9.	**Financial Market Infrastructures**: Selected principles from PFMI
Description	Reference as per Section III.F. of the Guidance Note

Principle 2.10.	**Financial Integrity**: The central bank discloses its policies and powers for Anti-Money Laundering/Countering the Financing of Terrorism supervision, and a description of its internal control framework relating to the activities or services that may give rise to Money Laundering/Terrorist Financing risk.
Principle 2.10.1	**AML/CFT Supervision:** The central bank discloses information relating to its policies and powers supporting its Anti-Money Laundering/Countering the Financing of Terrorism supervisory activities.
Description	Not applicable.
Review	Not applicable.
Comments	
Principle 2.10.2	**AML/CFT Supervision:** The central bank discloses information relating to its policies and powers supporting its Anti-Money Laundering/Countering the Financing of Terrorism supervisory activities.
Description	Not applicable.
Review	Not applicable.
Comments	
Principle 2.11.	**Consumer Protection**: The central bank discloses its policies relating to consumer protection, conducted solely or jointly with other agencies.
Description	Not applicable.
Review	Not applicable.
Comments	
Pillar III—Central Bank Operations	
Principle 3.1.	**Monetary Policy:** The central bank discloses its operational framework with a well-defined operational target, objectives, instruments, collateral, and access criteria.

Principle 3.1.1.	**Instruments:** The central bank discloses its monetary policy instruments.
Description	The NBK discloses its operational framework for implementing monetary policy on its website. The base rate is the main monetary policy instrument. The operational framework's objective is to promote the transmission of monetary policy through the financial system and into the broader economy by influencing money market liquidity and interest rates, and bank lending activity. The NBK implements monetary policy by operating with a band of +/- 100 bp around the base rate and uses a set of operations, facilities and instruments to keep its operational benchmark, the TONIA (Tenge Overnight Index Average) rate—the average of the risk-free one-day repo market rate in the Kazakhstan Stock Exchange—close to the base rate. Because the banking system in Kazakhstan typically operates with excess liquidity, the operational framework normally acts to withdraw this excess liquidity from the banking system. The operational framework using three types of tools to manage liquidity and keep the TONIA rate close to the base rate: Open market operations are conducted at the NBK's initiative. They consist of auctions to banks of three types of financial instruments: • Reverse repos (liquidity provision; duration: seven days); • NBK notes (liquidity withdrawal; duration: 28 days); • NBK deposits (liquidity withdrawal; duration: seven days). Note: The number of NBK-issued notes started declining in the fourth quarter of 2023 and their presence has been replaced by auctioned NBK deposits. 2. Standing facilities (one-day) are used to adjust liquidity volumes resulting from open market operations that banks can access on their own initiative. There are four types of instruments available on the Kazakhstan Stock Exchange (KASE): • Currency swaps (liquidity provision) • Reverse repo (liquidity provision) • NBK deposits (liquidity withdrawal) • Direct repo (liquidity withdrawal)

	Note: Currency swaps (and currency interest rate swaps) are sometimes traded with the European Bank for Reconstruction and Development (EBRD). Minimum reserve requirements are used to manage structural liquidity imbalances and influence money market liquidity and interest rates. These requirements apply and can be adjusted for four different types of bank liabilities (domestic versus foreign currency and short term versus long term). The website discloses the minimum reserve requirement for each of these four bank liabilities. Note: these instruments are not actively used by the NBK for liquidity management as they are not frequently adjusted.
Review	***Comprehensive*** The NBK discloses all of the instruments, operations and facilities it uses to implement monetary policy and keep the overnight market rate (TONIA) close to the base rate.
Comments	The NBK uses a relatively large number of operations, facilities, and instruments as well as minimum reserve requirements for monetary policy implementation. The complexity of the operating framework makes it difficult for external stakeholders to understand. Explanations should be provided as to why they are all needed and under what circumstances they are used.
Principle 3.1.2.	**Coverage**: The central bank discloses: (i) the type of instrument (open market operations, standing facilities, other facilities, reserve requirements, and direct instruments of monetary control); (ii) the characteristics of each instrument; and (iii) the collateral framework.
Description	The NBK discloses its operational framework for implementing monetary policy on its website. The base rate serves as the main policy instrument, and the operational framework aims to support monetary policy transmission by influencing money market liquidity, interest rates, and bank lending conditions. Monetary policy is implemented within a ±100 basis point corridor around the base rate, with the NBK using a range of instruments to keep the operational target, the TONIA rate, close to the policy rate. Given the banking system's persistent excess liquidity, operations primarily absorb liquidity. The framework relies on: (i) **open market operations**, mainly via deposit auctions at the policy rate following fixed-rate full-allotment approach; (ii) **standing facilities** available on banks' initiative, such as currency swaps, repos, and NBK deposits; and (iii) **minimum reserve requirements**, which help address structural liquidity imbalances, though they are adjusted infrequently and thus play a limited role in day-to-day liquidity management. The reserve requirements framework has remained unchanged since the transition to IT. As

	part of the ongoing review, the NBK has held several open discussions and has transparently communicated its vision for a revised reserve requirements framework. Additional information about the instruments, beyond that provided in 3.1.1, the collateral associated with each instrument and the operation/facility is disclosed on the NBK website. The collateral consists of the following: • For currency swaps: US dollars; • For reserve repos: Kazakhstan government bonds; • For reverse repo auctions: the Lombard List (which consists of high-quality government and corporate bonds, denominated in tenge).
Review	***Expanded*** The NBK discloses many of the details regarding its operations, facilities and instruments, as well as the collateral framework, on its website. However, detailed regulations on monetary operations and reserve requirements are not published and regularly updated.
Comments	Some of the material about its operational framework on its English-language website is outdated and should be updated on a regular basis. More information should be provided as to which instruments are increasing or decreasing in use and why.
Principle 3.1.3.	**Access:** The central bank discloses the monetary policy counterparties' framework.
Description	The counterparties in the operating framework for the implementation of monetary policy are banks, although some other financial institutions appear to have access to the standing facilities operated by the KASE, including non-bank members of the KASE, such as broker-dealers. Other financial institutions participate in the KASE overnight repo market, thereby influencing the TONIA rate, while the NBK can only influence the liquidity of a smaller set of counterparties, primarily the banks. This restricted leverage contributes to the volatility in the TONIA rate.
Review	***Core***

	Basic information is disclosed on counterparties in the monetary policy operating framework.
Comments	The information provided by the NBK on its website about counterparties in the operating framework should be more robust and up to date, and provide more context for understanding how these facilities, operations and instruments are used and by whom. The list of eligible counterparties is not published. No terms and conditions for participating as monetary policy counterparty are disclosed.
Principle 3.2.	**Cross-Border Financial Flows and Foreign Exchange Administration:** The central bank discloses how it implements this policy in terms of the instruments and the scope of its operations and actions.
Principle 3.2.1.	**Instruments:** The central bank's instruments for implementing the policy and the circumstances in which they can be used are clearly defined and disclosed.
Description	The role of the NBK in cross-border financial flows and FX administration is laid out in the Law of the Republic of Kazakhstan "*On foreign exchange regulation and foreign exchange control*" No. 167-VI dated 02.07.2018. Article 5 of the Law sets the role of the NBK as follows: • **The NBK is the main body for FX regulation**. The Government of Kazakhstan and the NBK shall, in accordance with the Law, within the limits of their competence, issue regulatory legal acts binding on residents and non-residents. Draft by-laws on FX regulations developed by state bodies shall be subject to approval by the NBK. • **Powers of the NBK in the implementation of the Law**. As the main body for FX regulations, the NBK shall approve: (i) the rules for carrying out FX transactions; (ii) the rules for carrying out exchange transactions with foreign currency in cash; (iii) the rules for monitoring FX transactions; (iv) the rules for submission of information by branches (representative offices) of foreign non-financial organizations operating in Kazakhstan; (v) the rules for monitoring sources of supply and demand in the domestic FX market. The NBK Board Resolution on the "*Rules for monitoring foreign exchange transactions in the Republic of Kazakhstan"* No. 64 dated 10.04.2019 approved by its Board, and available in the NBK Russian Website sets the implementing arrangements as to what refers NBK responsibilities. The version of the Board Resolution posted on the NBK Website is a consolidated one (i.e., it incorporates all changes following their adoption by the NBK Board).

	In order to increase the efficiency of currency control over export-import Transactions (in particular the repatriation of export proceeds), legislative work was carried out to recognize the State Revenue Committee (SRC) of the Ministry of Finance of the Republic of Kazakhstan as an authority in charge of currency control and its involvement in monitoring the implementation of repatriation requirements. This involved a joint NBK Board Resolution dated September 29, 2023 No. 78 (published on the NBK website) and the order of the Deputy Prime Minister—Minister of Finance of the Republic of Kazakhstan dated October 4, 2023 No. 1054. A summary of the NBK by-laws is provided in the Table "Accounting registration of foreign exchange agreements on capital flows and notification of accounts with foreign banks" available in the English NBK Website). Authorized banks are responsible for submitting necessary information to the NBK, which must be transmitted electronically using a secure transport system that ensures confidentiality and authenticity (Chapter 1 of the NBK Board Resolution). The NBK Board Resolution outlines the licensing requirements for monitoring FX transactions as follows: • **Assignment of Registration Numbers**: type of FX transactions that are subject a registration by the NBK before undertaking the transaction. • **Submission of Documents**: type of documents to be submitted to the NBK for the assignment of a registration number. • **Deadlines** for the submission of a registration number must be submitted to the NBK. • **Changes and Updates**: in the case of a change in the FX transaction, a new registration number has to be requested. Changes to the NBK regulatory framework are subject to a consultative process through the Association of Financiers of Kazakhstan. All financial institutions can provide comments on draft regulations provided by the NBK through a website designed for this purpose. The NBK provides also feedback on how those comments and suggestions have been taken into account in the final regulations. As regards the circumstances in which the CBK instruments can be used, the NBK website indicates that they support the accomplishment of the primary goal of the NBK to ensure price stability. It is in that context that the NBK has been assigned the task of implementing FX regulations and FX controls (Chapter 2, Article 7 of the NBK Law). In that context, the function of the NBK is to "*carry out currency regulations and currency control in the Republic of Kazakhstan*" (Chapter 2, Article 8 of the NBK Law). Data collected by the NBK on FX

	transactions are the main source of information for the compilation of the balance of payments The dedicated NBK website tab "Currency Regulation" provides a comprehensive description of the list of permitted currency operations, including via a YouTube clip, and in particular on the NBK (i.e., registration obligations for some currency operations) and the instruments for implementing the policy as follows: • **Modalities for currency operations:** a dedicated tab provides a detailed description of the steps that need to be followed to the servicing bank to make a payment or transfer money on a current or capital account transaction. • **Registration requirements for capital account transactions**: a dedicated tab provides information on registration obligations at the NBK after Kazakhstan's individuals or legal entities have conducted of capital account transactions above a given threshold or contracts with no specified amount. Legal entities must also register their accounts in foreign banks. A table "Accounting registration of foreign exchange agreements on capital flows and notification of accounts with foreign banks" that is periodically updated provides a detailed summary of registration requirements for each type of capital flow transactions and accounts with foreign banks. • **Registration requirements for export and imports**: a dedicated tab provides detailed information on registration requirements at NBK for such currency transactions; an explanation of what is a repatriation requirement; which export of export contracts are subject to accounting registration, how to do it, and what documents to provide in that context; and the related reporting requirements (periodicity, related reporting form). The forms that may have to be submitted to the NBK are included NBK Board Resolution on the "*Rules for monitoring foreign exchange transactions in the Republic of Kazakhstan"* (Annexes 1–9), including guidance for filling them. As indicated in paragraph 4 of the above-mentioned NBK Board Resolution, all the banks carrying out activities in Kazakhstan are subject to the reporting arrangements specified in the Board resolution through the reporting forms provided in Annex 7. The form has been developed in accordance with paragraph 3 of Article 15 of the Law of the Republic of Kazakhstan "*On Currency Regulation and Currency Control*". As evidenced The NBK Resolution on the "*Rules for monitoring foreign exchange transactions in the Republic of Kazakhstan"* by the February 21, 2025 Public Information Notice policy decisions resulting in changes in the regulatory framework for policy implementation under the control of the NBK are publicly announced (in that case, reduction of deadlines for banks to submit reports on FX transactions, and expansion of the list of transactions that may be designed to evade requirements of FX legislation and which are subject to financial monitoring). As evidenced by the February 21, 2025, Public Information Notice policy

	decisions resulting in changes in the regulatory framework under the control of the NBK are publicly announced. The NBK Annual Report includes a review and description of the different changes to the NBK instruments (as well as references to the specific resolutions of the Board of the NBK available on its the Russian website) and of the related circumstances for the year under review (see for instance pages 48–51 of the 2025 NBK Annual Report). In particular, the 2023 NBK Annual Report provides information on the circumstances that led to amendments to the regulatory framework (i.e., limit the scope for evading FX controls, facilitate compliance with some reporting requirements, increase the efficiency of information sharing on FX transactions conducted on the AIFC site), as well as a comprehensive list of NBK Board's Resolutions relevant to cross-border financial flows, and FX administration, as well as the particular issue they were addressing. The Chapter of the IMF's Annual Report on Exchange Arrangements and Exchange Restrictions dealing with Kazakhstan provides a summary of the regulatory framework as follows: (i) FX control is administered by the government, the NBK, and other FX control bodies and agents in accordance with the Law on FX Regulation and FX Control and legislation of Kazakhstan; (ii) the NBK and other government bodies (the MOF, the Public Revenue Committee under the MOF) serve as FX control agents in accordance with the scope of authority established by legislation; (iii) Authorized banks, nonbank exchange bureaus, and professional participants in the securities market who perform FX transactions for their clients serve as FX control agents.
Review	***Comprehensive*** The NBK's instruments for implementing the policy and the circumstances in which they can be used are clearly defined and disclosed in the relevant NBK Board Resolution, as well as in the NBK Annual Report, and in the relevant sections of the website.
Comments	To enhance even further accessibility for a wide audience, a description of the overall framework in place for Cross-Border Financial Flows and FX Administration (i.e., similar to the one in the IMF's Annual Report on Exchange Arrangements and Exchange Restrictions) including links to the various relevant Laws of the Republic of Kazakhstan, as well as links to the various NBK by-laws (in Russian of English) could be considered.
Principle 3.2.2.	**Coverage:** The central bank discloses information about the persons (entities and individuals), transactions, and other aspects of the FX system that it can and does regulate; persons, transactions, and activities that it can license, approve, monitor, and sanction; and FX transactions that it can perform.

Description	The above-mentioned Law of the Republic of Kazakhstan "*On foreign exchange regulation and currency control*" No. 167-VI sets which financial institutions have a status of "Authorized banks" or "Authorized organizations" that are allowed to carry out FX transactions as follows: • **Authorized banks**: banks established in the Republic of Kazakhstan or branches of foreign banks operating in the country. They are required to have a license from the ARDFM. • **Authorized organizations**: financial organizations of the Republic of Kazakhstan, which are not banks, carrying out activities exclusively through exchange offices on the basis of a license of the NBK for FX operations in cash. Article 22 of the above-mentioned Law of the Republic of Kazakhstan "*On foreign exchange regulation and foreign exchange control*" No. 167-VI sets the type of penalties that can be applied by the NBK in case of detection of violations with the provisions of the Law. The above-mentioned NBK Board Resolution is clear about the entities or persons subject to the regulations as follows: • **Individuals and Legal Entities**: Both individuals and legal entities that are residents of Kazakhstan, except for authorized banks, must submit the required information to the NBK either on paper or electronically. • **Branches and Representative Offices**: The provisions of the regulations established for legal entities also apply to their branches and representative offices. • **Authorized Banks**: Authorized banks are required to submit information electronically. • **Foreign Bank Accounts**: Resident legal entities must apply for the assignment of a registration number for accounts with foreign banks before carrying out transactions using these accounts. • **Currency Agreements**: Residents who are parties to currency agreements on the movement of capital must apply for the assignment of a registration number to these agreements. The NBK Board Resolution dated April 4, 2019, № 49, set the procedures for licensing authorities organization (including qualification requirements for them, notifications by authorized banks about the start or termination of exchange office activities, the requirements for conducting exchange transactions with cash foreign currency, the conditions for the operation of exchange offices, and the procedure for conducting transactions for purchasing and/or selling refined gold bars issued by the NBK, as well as

	the forms and deadlines for submitting reports by authorized banks and authorized organizations. The above-mentioned NBK Board Resolution on the "*Rules for monitoring foreign exchange transactions in the Republic of Kazakhstan*" No. 64 includes the forms for reporting transactions to the NBK (Annexes 1–9) and mentions that non-compliance with the rules can lead to sanctions. Penalties that can be applied by the NBK are listed in the Administrative Code of Kazakhstan that is in the public domain and that covers all types of penalties that public agency can apply of non-compliance with the Laws of By Laws of Kazakhstan. The NBK carries out inspections of authorized banks in order to ensure compliance with the requirements of the legal and regulatory framework, as defined by the above-mentioned Law «*On foreign exchange regulation and currency control»*, other relevant Laws of the Republic of Kazakhstan, decrees of the President of the Republic of Kazakhstan, as well as normative legal acts of currency regulation bodies and currency control bodies issued in accordance with the competence established by the legislation of Kazakhstan. Regarding non-compliance with the requirements of the legal and regulatory framework: • The Law of the Republic of Kazakhstan «*On foreign exchange regulation and currency control*» provides for a measure of impact in the form of a requirement to eliminate the revealed violations, causes and conditions that contributed to their commission; • The Code of the Republic of Kazakhstan «*On Administrative Offenses*» establishes specific types of administrative penalties; • The Criminal Code of the Republic of Kazakhstan stipulates responsibility for committing criminal offenses related to currency operations. Detailed information on the measures taken by the NBK against the authorized banks that have not been fully compliant with the regulatory framework is posted on the official website of the NBK in the section «*General public and businesses*» in Kazakh, Russian, English languages.
Review	***Comprehensive*** Information about the persons, transactions, and other aspects of the FX system that the NBK regulates (licensing power, sanctions) are disclosed in the relevant NBK Board Resolutions. A dedicated section of the NBK website provide comprehensive information on the sanctions imposed by the NBK for non-compliance with the regulatory framework.

Comments	Accessibility of the comprehensive information already disclosed could be further enhanced by including a Q&A on the NBK website on the granting of licenses and approvals and the use of the policy instruments.
Principle 3.3.	**Foreign Exchange Management:** The central bank discloses how it implements its FX policies framework in terms of instruments, markets, size, and mode of access.
Principle 3.3.1.	**Instruments:** The central bank discloses the set of instruments used for FX management policy, key considerations under which these instruments are chosen, and eligibility criteria of counterparties and mode of access.
Description	As noted in Section 2.3.1, the tenge exchange rate is a floating, largely market determined, exchange rate. The NBK only intervenes in the FX market in exceptional circumstances to smooth excessive exchange rate volatility and restore market functioning. When the NBK does intervene, it does so in the spot US dollar / tenge market. The counterparties are not explicitly specified. While the NBK is an active and significant participant in the FX market, these transactions are largely the result of the NBK acting as an agent of the government or other public agencies. Nonetheless, it strives to minimize the impact of these transactions on the exchange rate and disclose the volume of these transactions on a timely basis.
Review	***Core***
Comments	A more robust description of the US dollar/tenge FX market that explains the major participants in the market would increase transparency and improve understanding by external stakeholders. Also see Principle 2.3.
Principle 3.3.2.	**Coverage:** The central bank discloses the markets and agents who are targeted by the FX management policy.
Description	See 2.3 and 3.3.1
Review	***Core***
Comments	See 3.3.1

Principle 3.4.	**Foreign Exchange Reserve Management**: The central bank discloses the general principles governing its FX reserve management operations, including relationships with counterparties and service providers.
Principle 3.4.1.	**Instruments**: The central bank discloses the broad selection criteria for eligible asset classes, composition of instruments, investment horizon and constraints.
Description	Chapter 4 of the above-mentioned NBK Board Resolution "*Types of risks and their management*" focuses on the types of risks and their management in transactions with assets. It sets the procedure for transferring assets to external managers (see NBK Board Resolution №30 as of March 19,2020 available on the Russian NBK website), the investment strategy for managing the portfolio of alternative instruments (the alternative instruments portfolio is managed by the NBK's subsidiary – National Investment Corporation of the NBK). It outlines the main types of risks associated with asset transactions, including financial risks such as credit risk, market risk, liquidity risk, and operational risk as follows: • **Credit risk** is the risk of a counterparty or issuer failing to fulfill its obligations due to insolvency or bankruptcy. • **Market risk** involves the risk of asset value decreasing due to changes in exchange rates, prices, and interest rates. • **Liquidity risk** is the risk of a shortage of money to meet short-term obligations4, while operational risk refers to losses due to errors in transaction processes or technical malfunctions. To manage these risks, various types of limits are used, such as asset portfolio limits, limits on the structure of assets in portfolios, duration limits, active management limits, credit risk limits, currency distribution limits, and limits on external management6. These limits are applied based on the structure of assets and the purpose of portfolios, established by the relevant investment strategies. The above-mentioned Investment Strategy supplements the NBK Board Resolution. It includes a comprehensive list of eligible assets for each portfolio, as well as the type of instruments, investment horizon and constraints, and authorized credit risk exposures (see also information in Principle 2.3.1). The Board of the NBK approves the investment strategy for FX asset management, the procedure for transferring assets to external management, the investment strategy for managing the portfolio of alternative instruments.

	The alternative instruments portfolio is managed by the NBK's subsidiary—National Investment Corporation of the NBK. The NBK Annual Report (ENG ГО24) provides information on the key parameters for each portfolios, including: (i) the contribution of each portfolio to the overall amount of the international reserves; (ii) the currency structure of each portfolio whenever relevant; and (iii) the return on investment for each portfolio. The Report includes information on the structure of gold and FX reserves, management of the National Fund and the Pension Funds, and their dynamics, instruments used and overview of key decisions, risk parameters of each portfolio, and etc. Note 30 to the Annual Consolidated Financial Statements provide also detailed information on the benchmark (i.e. reference portfolio with "tracking error").
Review	***Comprehensive*** The broad selection criteria for eligible asset classes, composition of instruments, investment horizon and constraints, are disclosed in the relevant NBK Board Resolution, in the NBK Investment Strategy, as well as in the NBK Annual Report and Annual Consolidated Financial Statements.
Comments	
Principle 3.4.2.	**Coverage**: The central bank discloses the criteria to select eligible market counterparties and service providers and eligible markets to conduct its operations.
Description	The eligible markets are chosen according to the above-mentioned Investment Strategy which describes minimum credit ratings requirements for different financial instruments and broad market indexes which are used as benchmarks for portfolios. Investments in new types of financial instruments shall be made after assessment of possible financial risks stipulated in the Core Principles of foreign currency and precious metals asset management in accordance with the requirements to the system of decision-making and delegation of authority in asset management stipulated in the Core Principles of foreign currency and precious metals asset management. External asset managers are chosen in accordance with the procedure for transferring assets to external management (see Principle 3.4.1) which describes the mandatory criteria for the selection of external managers. The above-mentioned NBK Board Resolution sets the broad criteria for the selection of custodians as follows:

	• Custodians must be from countries with which Kazakhstan has diplomatic relations. For countries without diplomatic relations, the management of the NBK makes decisions based on recommendations from the Investment Committee. • Custodial custody of assets and investment transactions with counterparties are carried out if the counterparty meets the minimum requirements established by the Resolution of the Board of the National Bank dated December 20, 2021, No 117 "*On Approval of the Procedure for Credit Risk Management on Transactions with Counterparties of the National Bank of the Republic of Kazakhstan*" that is available on the Russian NBK website. The NBK Board Resolution "*Procedure for Credit Risk Management on Transactions with Counter partners of the NBK*" dated December 20, 2021, No 117 published on the NBK Russian website sets the maximum amount of credit risk on counterparties. The strategies pursued in relation to the portfolios under external management (i.e., alternative instruments, global corporate bonds of investment grade, bonds in emerging markets in hard currency) are disclosed in Note 17 to the annual Consolidated Financial Statements. The value of the portfolios for each external manager is also provided.
Review	***Comprehensive*** The criteria to select eligible market counterparties and service providers and eligible markets to conduct international reserves management actions are disclosed in relevant NBK Board Resolutions, in the NBK Investment Strategy as well as in the annual Consolidated Financial Statements.
Comments	
Principle 3.4.3.	**Review**: The central bank discloses criteria to assess adequacy and liquidity parameters and discloses such analysis regularly, at predetermined times.
Description	The Table "The Indicators of the adequacy of the international reserves of the Republic of Kazakhstan" available on the NBK website, with quarterly updates, with a three-month lag, provides detailed elements on the various indicators of international reserves adequacy (imports, external debt payments in the next 12 months, potential outflows in case of realization of a set of risks). Such quarterly information is available since 2014. In addition, Note 30 to the Annual Financial Statements include detailed information on the exposure of the International Reserves portfolios to liquidity risks.

Review	***Comprehensive*** Detailed information on the methodology and criteria to assess adequacy and liquidity of the international reserves is disclosed on a quarterly basis with a three-month lag on the NBK website. The NBK Annual Financial Statements include also detailed information on the composition and liquidity of the international reserves (including liquidity stress tests).
Comments	
Principle 3.5.	**Financial Stability Reviews and Stress Testing**: The central bank periodically discloses its review of domestic financial stability to the public and is transparent about the methods used for such reviews, including its framework for stress testing.
Principle 3.5.1.	**Financial Stability Reviews**: The central bank periodically provides to the public its review of risk to financial stability, including new and emerging sources of vulnerability.
Description	The NBK annual FSR published on the website provides an analysis and assessment of the following sources of systemic risks to the stability of the banking sector: macroeconomic conditions; government securities market; residential real estate market; banks' loan portfolio quality, liquidity and funding risks. The FSR also provides a summary of the outcomes of the meetings of the Council for Financial Stability during the period under review. While the results of the stress test conducted by the NBK were published in past FSR (see for instance the 2022 FSR) they were not included in the latest 2023 FSR. That year, an alternative methodology (Gaussian credit risk model for the unexpected loss) was used to assess the capital adequacy of the banking system. The methodology and the results were published in a working paper in the NBK Economic Overview journal (№3, p. 4) and published on the NBK's website. In 2024 the stress test was conducted with the use of IFRS 9 transition matrices. This stress testing methodology is currently being finalized and improved for publication in 2025. Additionally, the NBK is currently developing a Housing-at-Risk (HaR) metric. HaR will be used to assess the downside risks in the housing market and will be regularly published as part of its FSR. The methodology will be published separately as an analytical note on the NBK's official website. NBK plans to utilize HaR within the banking sector stress-test framework to generate combined stress-test scenarios, where simultaneous shocks of household incomes and house prices are applied to assess the soundness of banks' credit portfolio.
Review	***Core*** While the last NBK FSR (2023 edition) provides information on the sources of risks to financial stability, an important gap has to do with discontinuing the integration of the top-

	down stress testing exercise conducted by the NBK on that FSR, hence on the impact of the various risks to the stability of the financial sector.
Comments	The planned re-introduction of the results of the stress testing exercise in the 2024 FSR and beyond will greatly enhance transparency, as will the planned disclosures regarding Housing-at-Risk (HaR) metric.
Principle 3.5.2.	**Macroprudential Stress Testing Methods:** The central bank discloses the methods and key assumptions of the stress testing framework.
Description	The NBK conducts top-down stress testing exercise on an annual basis. The results and the methodology of the stress tests are presented to the NBK's management. The methodology is reviewed and improved each year and new frameworks are tested. The results of the stress test aimed at measuring the credit risk of the loan portfolio of the banking system conducted in 2022 were published in the 2022 FSR (p. 90, available on English). In 2023 an alternative methodology was used for measuring the credit risk of the loan portfolio of the banking system (Gaussian credit risk model for the unexpected loss) and the capacity of the banking sector to absorb unforeseen credit losses. The methodology and the results were published in a working paper in the NBK Economic Overview journal (№3, p. 4, available on English) and published on the NBK's official website. In 2024 the stress test was conducted with the use of IFRS 9 transition matrices. This stress testing methodology is currently being finalized and improved for publication in 2025. No disclosures are in place presenting the methods and key assumptions of a macroprudential stress testing framework encompassing all potential sources of risks.
Review	*Not implemented*
Comments	Disclosures regarding the macroprudential methods and key assumptions of a stress testing framework encompassing all sources of risks would enhance transparency.
Principle 3.5.3.	**Stress Testing Coverage:** The central bank discloses the coverage of the stress testing exercise.
Description	No disclosures are made by the NBK regarding the coverage of the stress test exercise besides the information included in the above-mentioned Economic Overview Journal.
Review	*Not Implemented*

Comments	Detailed disclosures regarding the coverage of the stress test exercise would enhance transparency.
Principle 3.5.4.	**Central Bank Use of Stress Test Results:** There is clarity about the ways the central bank uses the stress test results.
Description	Stress test results conducted by the NBK were not used in the assessment of the stability of the financial sector provided in the 2023 FSR (see Principle 3.5.1).
Review	*Not implemented*
Comments	The planned re-introduction of the results of the stress testing exercise in the 2024 FSR and beyond will enhance transparency,
Principle 3.6.	**Macroprudential Policy Implementation:** The central bank discloses how it implements macroprudential policies, including the design of policy instruments and enforcement arrangements.
Principle 3.6.1.	**Instruments:** The central bank discloses the precise design and objectives of its macroprudential instruments, including the scope of entities and financial instruments subject to macroprudential constraints.
Description	The above-mentioned NBK document "*On the macroprudential policy of the National Bank of the Republic of Kazakhstan*" discusses the design and objectives of the macroprudential instruments as follows: • **Scope of entities**. Currently, macroprudential policy is focused on systemic risks associated with the banking sector, due to the dominant role of banks in the financial sector of Kazakhstan. At the same time, at present, the securities and insurance markets do not pose systemic risks to the stability of the financial system. In the future, as these markets continue to develop, the perimeter of macroprudential policy will be expanded, if necessary. • **Design and objectives of the macroprudential instruments**. Box 2 of the above-mentioned NBK document "*On the macroprudential policy of the National Bank of the Republic of Kazakhstan*" provides a detailed description of current macroprudential tools used in Kazakhstan, as well as their objectives as follows: • *The CCyB* (BCC) allows banks to accumulate an additional capital buffer during the period of excessive growth of the loan portfolio, which often leads to the formation and accumulation of systemic risks. During a downturn in economic growth, the

	release of the buffer reduces the risk of a reduction in lending to the economy. The amount and timing of the introduction of the BCC are set at least 12 months before the start date of the calculation. The range of this buffer is from 0 percent to 3 percent of the amount of assets, contingent and possible liabilities, weighted with regard to risks. The main indicator signaling the period of the onset of a credit boom and the need to form a capital buffer is the deviation of the ratio of loans to the economy to GDP from its long-term trend (credit-to-GDP gap). In addition to calculating the main indicator, the NBK calculates additional indicators that characterize the state of development of financial markets and the economy as a whole, and also uses expert judgment regarding the need to activate and determine the level of the BCC. In connection with the signals of overheating in the retail lending segment at the end of 2023, the NBK developed proposals for the introduction of a sectoral CCyB aimed at reducing risks in this lending segment. • *Systemically important financial institutions*. The NBK, in coordination with the ARDFM, establishes a methodology for classifying banks and infrastructure organizations as systemically important. This methodology is based on the calculation of quantitative indicators taking into account the recommendations of the Basel Committee on Banking Supervision. The NBK annually assesses the systemic importance of financial institutions in the amount of 1 percent of risk-weighted assets, as well as an increased value of the capital conservation buffer in the amount of 3 percent of risk-weighted assets (for other banks—2 percent, from January 1, 2024—2.5 percent). Failure to meet capital buffers leads to a restriction on the distribution of the bank's retained net income. • *The borrower's debt burden ratio* is used by banks when deciding to issue a loan to an individual. The methodology for calculating this standard is determined by the ARDFM, while the NBK determines its maximum permissible value, which is currently 0.5. At present, the authorities are in the process of amending the legislation in order to separate macroprudential tools from other prudential requirements and to directly assign macroprudential instruments to NBK, as recommended by the last IMF FSAP. The objectives and design of existing macroprudential tools including the scope of entities and financial instruments subject to macroprudential constraints are fully disclosed in relevant regulatory decrees. Also, the NBK invites financial sector actors and the public to discussion when considering the introduction of macroprudential initiatives. For instance, the NBK published the Discussion paper on countercyclical buffer and its modifications on its website to collect the opinion of banking sector regarding the introduction of this tool.
Review	***Comprehensive***

	The design and objectives of its macroprudential instruments, including the scope of entities and financial instruments subject to macroprudential constraint, are disclosed in a NBK document on macroprudential policy, as well as in the annual FSR, and they are discussed periodically with relevant stakeholders.
Comments	
Principle 3.6.2.	**Enforcement**: The central bank discloses enforcement mechanisms and responsibilities for all entities and financial instruments subject to macroprudential constraints.
Description	The above-mentioned NBK document "*On the macroprudential policy of the National Bank of the Republic of Kazakhstan*" stipulates that the Council may submit proposals for consideration by its members, including on microprudential regulation. Decisions of the Council are advisory in nature. The Press Releases published shortly after each meeting of the Council provide information on the recommendations made by the Council. As evidenced by the outcome of the March 2025 meetings, the Council may also at times ***decide*** rather than only ***recommend*** on the implementation of some measures (see Principle 2.5.1). State bodies shall provide the secretariat of the Council with information on the implementation or non-implementation of the decisions of the Council with the appropriate justification no later than 3 (three) months from the date of the adoption of the relevant decision by the Council or within the time limits specified in the decision of the Council. No disclosures are made by the NBK in this regard.
Review	*Not implemented* The absence of disclosures on the submission of state bodies to the secretariat of the Council do not allow stakeholders to assess the robustness of the regulatory framework on this issue.
Comments	Disclosures on submissions by State bodies to the secretariat of the Council in relation to the implementation of its recommendations would enhance transparency.
Principle 3.7.	**Microprudential Supervision**: Selected principles from BCP, ICP, and IOSCO.
Description	Reference as per Section III.F. of the Guidance Note

Principle 3.8.	**Emergency Liquidity Assistance**: The central bank may disclose any ongoing provision of ELA (including bilateral and market-wide support) and its conditions and parameters once the need for confidentiality has ceased.
Principle 3.8.1	**Market-wide Liquidity Support**: The central bank may disclose any ongoing provision of market-wide liquidity support and its conditions and parameters once the need for confidentiality has ceased.
Description	The NBK hasn't provided market-wide liquidity support through loans to banks since post-Covid period and the ELA framework is more focused on bilateral liquidity support. In Kazakhstan, market-wide liquidity support is primarily provided by the NBK through a range of monetary policy and liquidity management instruments, aimed at ensuring financial system stability and maintaining adequate banking sector liquidity under both normal and stressed conditions. In times of systemic stress (e.g., during the COVID-19 pandemic), the NBK introduced temporary liquidity support programs for the banking sector, including: • Targeted refinancing programs at below-market rates to support lending to priority sectors. • Liquidity backstops in coordination with the government and the ARDFM. During the COVID-19 pandemic, the NBK used other "lines of defense" against the system-wide liquidity shock, namely monetary liquidity providing operations. These actions were disclosed in a detailed Annual Report and statistical data.
Review	*Not applicable.*
Comments	
Principle 3.8.2	**Bilateral Liquidity Support**: The central bank may disclose any ongoing provision of bilateral liquidity support and its conditions and parameters once the need for confidentiality has ceased.
Description	Under the requirements of the NBK Rules of LoLR provision of the emergency liquidity is considered as confidential information and can be disclosed only with written permission of the parties and if it is declared in the legislation. The Annex 2 of the LoLR Rules (Joint decree of NBK and the Supervision Agency on approval of the Rules for Issuing LoLR № 62 dated 5 May 2022, with amendments from 24

	December 2024 represents "Agreement of the general terms of the lender of last resort loans" where para 4 on "Confidentiality" list cases of disclosure of the LoLR details.
Review	*Not applicable* No ELA has been provided since the establishment of the current ELA framework in 2020. The central bank may disclose ongoing provision of bilateral liquidity support and its conditions and parameters only with the written permission of all involved parties.
Comments	
Principle 3.9.	**Resolution**: Selected principles from KA
Description	Reference as per Section III.F. of the Guidance Note
Principle 3.10.	**Financial Market Infrastructures**: Selected principles from PFMI
Description	Reference as per Section III.F. of the Guidance Note
Principle 3.11.	**Financial Integrity**: The central bank discloses its Anti-Money Laundering/Countering the Financing of Terrorism supervisory processes as well as details about resources allocated to its internal Anti-Money Laundering/Countering the Financing of Terrorism controls.
Principle 3.11.1	**AML/CFT Supervision:** The central bank discloses its AML/CFT supervisory processes.
Description	Not applicable.
Review	Not applicable.
Comments	
Principle 3.11.2	**Internal AML/CFT Controls:** The central bank discloses resources allocated to its internal AML/CFT controls.
Description	Not applicable.
Review	Not applicable.

Comments	
Principle 3.12.	**Consumer Protection**: The central bank discloses its operations relating to consumer protection conducted solely or jointly with other agencies.
Description	Not applicable.
Review	Not applicable.
Comments	
Pillar IV—Central Bank Outcome	
Principle 4.1.	**Monetary Policy:** The central bank is transparent about the outcome of its monetary policy conduct.
Principle 4.1.1.	**Governance Actions:** The accountability of the central bank on monetary policy is clear as to whom accountability is owed and how it is discharged.
Description	The NBK's accountability for its conduct of monetary policy occurs via the publication of the press release and Monetary Policy Statement after eight monetary policy decisions per year, the quarterly MPR, and the Annual Report. Monetary policy decisions are also followed by press conferences with journalists and technical briefings with market participants and experts. These written and oral communications vehicles promote monetary policy transparency and accountability. The Governor reports to the President, to whom he is legally accountable. He is also invited to speak, on an ad hoc basis, to the Monetary and Financial Committees of the Kazakhstan Parliament, but on a variety of issues, including monetary policy. In 2021, the NBK published the *Monetary Policy Strategy 2030*. It is an important document for the governance of monetary policy in Kazakhstan because it represents a decade-long workplan to achieve "full-fledged inflation targeting". It identifies and analyses the challenges monetary policy is facing in Kazakhstan, but it also outlines approaches to address them. These challenges include: • Monetary policy transmission to the financial system and real economy is limited for a number of reasons, including dollarization, excess liquidity in banking system and insufficient financial market development.

	• The rate of deposit dollarization is declining as the NBK and the inflation target gain credibility and inflation declines. • Significant provision by public agencies (including by the NBK) of credit and liquidity to the banking system and to the economy at interest rates below the base rate, which undermines the effectiveness of monetary policy and creates a conflict for the NBK. • The NBK is reducing its provision of concessionary mortgage finance. • The concessionary loans made to rehabilitate some banks are being repaid. • Fiscal policy is often not aligned with monetary policy in terms of achieving the NBK's inflation target. Since the publication of this document, the NBK has begun to act on the measures identified to further improve transparency, accountability and strengthen the credibility of monetary policy. The NBK also uses public statements and media engagements to explain its conduct of monetary policy and the outcomes. In addition, the NBK is making more use of social media to explain monetary policy to a wider audience. Lastly, the NBK operates a platform on its website to receive and respond to questions from the media, public and other stakeholders within five days.
Review	***Expanded*** The NBK has achieved a relatively high degree of transparency and accountability for monetary policy governance actions.
Comments	The NBK should consider conducting regular ex-post evaluations of its monetary policy framework and its implementation, with either external experts performing the assessment or having external experts reviewing internal self-assessments. Such assessments should be made public.
Principle 4.1.2.	**Policies**: The central bank discloses progress toward achieving its monetary policy objective(s) as well as prospects for achieving them.
Description	The NBK discloses the progress toward achieving its monetary policy objectives as well as prospects for achieving them in the monetary policy press release, the Monetary Policy Statement, the MPR and the Annual Report. The MPR includes detailed analysis of the current conjecture of the Kazak economy, including providing explanations of the deviation of CPI inflation from its 5 percent target.

	The MPR also includes a forecast of the key macroeconomic variables including CPI inflation, and output growth. The forecast is based on the i, which generates a path of the base rate that closes the output gap and returns the inflation rate to target. Also included in these publications are discussions of the risks identified by the MPC that would affect the prospect of achieving the inflation objective. As noted in 4.1.1, analysis of inflation outcomes as well as the prospects for inflation are presented by the Governor and MPC members to a variety of audiences, including the media, market participants and analysts, and the public followed by question-and-answer periods.
Review	***Comprehensive*** The NBK discloses indicators of monetary policy outcomes, namely, the deviation of inflation from the 5 percent inflation target. It explains these deviations as well as prospects for achieving the target.
Comments	The NBK should regularly examine the accuracy of its forecasts for inflation and output growth. It should try to explain forecast errors as well as compare its forecast accuracy to that of other private sector forecasters. It should also disclose these assessment techniques.
Principle 4.1.3.	**Operations**: The central bank discloses the volumes and interest rates of the operations, as well as the level of the operational target achieved.
Description	The NBK discloses data on the implementation of monetary policy on its website. It provides volume data and interest rates for its auctions of short-term notes, reverse repos and deposits. A link is provided to Kazakhstan Stock Exchange website, where data on the NBK's operational target, the TONIA rate, is given. The NBK website also supplies monthly statistics on the open position of the NBK's operations. Some of these data are also presented and analyzed in the MPR and Annual Report.
Review	***Expanded***
Comments	Volume and interest rate data on the standing facilities operated by the KASE are not provided.

Principle 4.2.	**Cross-Border Financial Flows and Foreign Exchange Administration:** The central bank discloses the outcome of its policy implementation.
Principle 4.2.1.	**Governance Actions:** The central bank discloses information about to whom its accountability on the policy is owed and how it is discharged.
Description	Chapter 2, Article 8 of the NBK Law stipulates that one of the functions of the NBK is to "*carry out currency/FX regulations and currency/FX control in the Republic of Kazakhstan*". Furthermore, Chapter 1 of the above-mentioned NBK Resolution on the "*Rules for monitoring foreign exchange transactions in the Republic of Kazakhstan*" No. 64, indicates the various Law of the Republic of Kazakhstan relevant for the involvement of the NBK in cross-border flows and FX administration. Disclosures in the NBK Annual Report provide information on the actions of the NBK regarding how it has discharged its responsibilities. Disclosures in relation to the changes in the regulatory framework for the repatriation of export proceed introduced in 2023 (see Principle 3.2.1) are an example of the high level of transparency in the context of an important change involving a shift of responsibility for certain NBK actions to another public agency. The rationale for the change was clearly disclosed in the NBK 2023 Annual Report.
Review	***Comprehensive*** Through its various disclosures (NBK Board Resolutions, NBK Annual Report, Press Releases) the NBK provides a wealth of information related to whom it is accountable (the President of the Republic) and how it is discharged.
Comments	A presentation of the accountability framework and how it is discharged, for instance in the description of the overall framework in place that is recommended in Principle 3.2. would enhance further transparency by making the information already disclosed easily accessible.
Principle 4.2.2.	**Policies:** The central bank discloses on a regular basis information about the results in achieving the policy objectives.
Description	
Review	*Not applicable* The policy is not the responsibility of the NBK (see Principle 2.2)
Comments	

Principle 4.2.3.	**Implementation:** The central bank discloses on a regular basis information about the results of the policy implementation.
Description	In addition to the publications on monetary policy, the NBK regularly publishes information about the outcomes of its cross-border financial flows and FX policy implementation. This includes updates on FX reserves, exchange rate trends, balance of payments, and external debt statistics, which are disclosed on the NBK website, through press releases and reports. These updates provide insights into the bank's efforts to ensure stability in the FX market and manage cross-border financial flows effectively. In particular, the NBK Annual Report of the NBK provides summarized information on the broad nature and scope of the NBK inspections conducted of authorized banks regarding compliance with FX regulations, including the type of administrative sanctions applied in the form of warnings or fines, or material submitted for consideration to judicial authorities or the economic investigation departments of the Financial Monitoring Agency of Kazakhstan in charge of AML/CFT related issues (see for instance page 49 of the 2023 NBK Annual Report). The NBK Annual report provides information on the outcome and efficiency of measures implemented during the period under review. For instance the 2023 Annual report reports on the efficiency of export-import FX control to prevent the illegal outflow of capital from the country as a consequence of legislative work that led to recognizing the SRC of the Ministry of Finance as a FX control authority and the related handing over of the function of monitoring compliance with repatriation requirements for export proceeds to that authority.
Review	***Expanded*** The NBK Annual Report discloses information on the result of policy implementation in relation to the changes made in the regulatory framework during the period under review. Additionally, it would be beneficial to provide more detailed information on the types and number of licenses or approvals granted, the various FX operations conducted, and the publication of lists of licensed entities, inspection results, sanctions, and cross-border financial flows - all of which are considered international best practice.
Comments	
Principle 4.3.	**Foreign Exchange Management:** The central bank discloses how its governing committee is accountable for undertaking and reporting on FX interventions.
Principle 4.3.1.	**Governance Actions**: The central bank discloses its decision-making structure and how it is accountable for FX Management.

Description	Kazakhstan has a floating exchange rate that is largely market determined. The NBK will not intervene to oppose movements in the tenge exchange rate driven by fundamental forces. Nonetheless, the NBK will buy or sell FX under certain prescribed circumstances: to attain the desired level or composition of official reserves, to act as an agent for the government or public agency or to limit excess volatility in the exchange rate when market conditions are illiquid or disorderly (See Principle 2.3.1 for a full description). The NBK is very transparent when carrying out FX transactions as an agent for the government, or National Fund or Unified Pension Fund. It describes the nature of these transactions in its monthly Bulletin on the FX Market. These transactions represent most of the operations that the NBK conducts in the FX market. These operations are conducted on a daily basis to minimize their impact on the market. When the NBK intervenes in the FX rate to smooth excess exchange rate volatility and restore market functioning, it does so on an exceptional basis. The intervention carried out in 2024 represented the first intervention action taken since 2022. At the time of the intervention, the NBK releases a public information notice from the Deputy Governor responsible explaining the rationale for the action. It also releases data on the volume of the intervention on a monthly basis.
Review	***Expanded*** The NBK discloses under what circumstances it will intervene in the FX market to smooth excessive exchange rate volatility and provide liquidity to improve market functioning. However, it does not disclose explicit information about the governance structure related to FX management.
Comments	The decision-making process for FX market interventions is not fully disclosed.
Principle 4.3.2.	**Policies**: The central bank discloses the role of FX Management toward achieving its policy objective(s) as well as its interaction with broader monetary policy objectives.
Description	Kazakhstan has a floating exchange rate, which gives it the monetary policy independence to achieve its own inflation target. A market-determined exchange rate complements the inflation target by allowing the exchange rate to adjust to external shocks.

	Although the tenge exchange rate is floating, the NBK discloses that it reserves the right to intervene in the FX market to smooth excess exchange rate volatility and restore market liquidity and functioning. When such intervention occurs, the NBK releases a public statement from the Deputy Governor responsible that provides a summary of the analysis of demand and supply situation in the FX and the rationale for the intervention. The NBK also conducts transactions in the FX market to affect the level and composition of official reserves of FX and gold. In 2025, it began conducting operations in the FX market to sterilize the impact of purchases of gold from domestic producers on the domestic money supply and monetary conditions. These "mirroring" operations sell FX to offset the impact of the gold purchases. Lastly, the NBK acts as an agent for the government and other public agencies to conduct operations in the FX market, for example, on behalf of the National Fund or the Unified Pension Fund.
Review	***Expanded*** The NBK's policy outcomes regarding its transactions in the FX market and the interactions with monetary policy are disclosed.
Comments	The NBK does not analyze or disclose the impact of its FX market interventions to smooth excessive exchange rate volatility and restore market liquidity and functioning. It is not clear how effective these actions are.
Principle 4.3.3.	**Operations**: The central bank discloses the results of its market operations, the volume of activity, and the direction of interventions on its website at a predefined time lag.
Description	The NBK discloses the results of its transactions in the FX rate market. These include operations conducted as an agent for the government and to attain desired official reserve holdings, and on an exceptional basis, interventions to smooth excess volatility in the exchange rate and restore market functioning. On a monthly basis, the NBK publishes data on the volume and direction of these transactions and the overall volume of FX market activity on its website in different locations and in different publications, primarily the Bulletin on the FX Market. It also releases data on average exchange rates for different currencies in the FX section of the monetary and banking statistics.

	Data on official FX reserves, balance of payments, and external debt statistics are also disclosed on the NBK website, through public bulletins and statistical reports. A summary of these data is also provided in the Annual Report. The monthly time lag in reporting is consistent with international standards for reporting FX market transactions.
Review	***Comprehensive*** The NBK discloses comprehensive information of its activities in the FX market.
Comments	As discussed in 2.3.3, this information could be more consistently categorized and explained and reported on a consolidated basis.
Principle 4.4.	**Foreign Exchange Reserve Management**: The central bank discloses any changes to the general principles of internal governance and provides clarity on the outcomes of its policy decisions about FX reserve management.
Principle 4.4.1.	**Governance Actions**: The central bank publicly discloses the general principles of internal governance to ensure the integrity of its policy formulation and operations.
Description	The above-mentioned NBK Board Resolution "*On Determining the Basic Principles of Management of Assets in Foreign Currency and Precious Metals, Including Their Structure*" No. 59 dated July 21, 2023, stipulates the internal governance related to the decision-making system and delegation, contributing to the efficiency of decision-making in accordance with the priorities of the NBK's Investment Policy. As elaborated in Principle 2.4.2., Chapter 6. Of the above-mentioned NBK Board Resolution provides a detailed description of the decision-making hierarchy and oversight allocation, including the role and functions of NBK bodies involved in the asset management process: Board, Risks Committee, Investment Committee, NBK divisions responsible for assets and risks management. No disclosures are made regarding the involvement of the Investment and Risks Committees in NBK's FX reserve management. The Investment Strategy defines the strategic goals and limitations of the activities of the NBK. The provisions of the Investment Strategy are considered by the Board of the NBK at least once a year.
Review	***Expanded*** The relevant NBK Board Resolution and the NBK Investment Strategy discloses the general principles of internal governance.

Comments	The Annual Report discloses general information on the FX reserve management, including general information of investment decisions. More detailed disclosures regarding the involvement of the Investment and Risks Committees in NBK's FX reserve management would enhance further transparency.
Principle 4.4.2.	**Reporting on Implementation**: The central bank discloses data relating to the level and composition of reserve assets, short-term liabilities, and drains that can lead to demand on reserves at a predefined frequency.
Description	The NBK Annual Report disclosed information on the level and composition of the NBK international reserves as follows: • **Total amount** of international reserves at the end of the year, including the contribution of each portfolio. • **The currency composition** of the international reserves (including the contributions in percent) for US dollars, Euros, British pounds sterling, Australian dollars, and Canadian dollars. The Table "*International Reserves and Foreign Currency Liquidity*" available on the NBK website and updated monthly provides predetermined (i.e., short-term liabilities) as well as contingent (drains that can lead to demand on reserves) drains on international reserves, with time bucket of up to one month, more than one month up to three months, more than three months up to six months, and more than 6 months up to one year. Note 30 to the NBK Annual Consolidated Financial Statements includes detailed information on the level and composition of international reserves assets, short term liabilities, and drains that can lead to a demand on reserves.
Review	***Comprehensive*** A monthly Table as well as Note 30 to the NBK Annual Consolidated Financial Statements provide information on the level and composition of reserve assets, short-term liabilities, and drains that can lead to demand on reserves.
Comments	
Principle 4.4.3.	**Financial Results**: There is clarity in audited financial statements on the amount, composition, profit/loss, and risks arising from FX reserves.
Description	Note 30 to the NBK Annual Consolidated Financial Statements include detailed information on the risks arising from FX reserves, including scenarios of a comprehensive range of risks

	(interest rates, exchange rates, other price risk, credit risk, liquidity risk) and their possible impact on the value of the various portfolios (liquidity portfolio, investment portfolio, strategic portfolio, gold portfolio, emerging markets' portfolio and alternative instruments portfolio). See also Principle 1.6.2
Review	***Comprehensive*** Note 30 to the NBK Annual Consolidated Financial Statements provide detailed information on the amount, composition, profit/loss, and risks arising from FX reserves.
Comments	
Principle 4.5.	**Macroprudential Policy**: The central bank discloses outcomes and evaluations of its macroprudential policy actions and its accountability for such actions.
Principle 4.5.1.	**Governance Actions**: The accountability of the central bank on macroprudential policies is clear as to whom accountability is owed and how it is discharged.
Description	The NBK is accountable to the President of Kazakhstan for the discharge of its responsibilities. This accountability extends to macroprudential policies, which are implemented within the broader framework of the NBK's mandate to ensure financial stability. Furthermore, the National Bank is the working body of the Financial Stability Council (FSC)—a consultative and advisory body to the President of Kazakhstan. According to FSC, issues concerning macroprudential policy measures and anti-crisis measures are subject to mandatory consideration by the FSC. Responsible government agencies are required to report to the Council on the agreed and approved measures. The NBK, in its role related to the FSC, reports to the President on the Council's activities on a semi-annual basis, as mandated by the Presidential Decree concerning the FSC. Following the FSC's meetings, press releases are also issued to inform the public about key decisions and discussions. In addition, sections detailing the activities of the FSC for the past year are included in both the FSR and the National Bank of the Republic of Kazakhstan's (NBK) annual report. These reports are published annually. Accountability provisions with regard macroprudential policies are set in the Decree of the President of the Republic of Kazakhstan dated December 18, 2019, No. 220 stipulates that:

	• *"The Financial Stability Council of the Republic of Kazakhstan (hereinafter referred to as the Council) shall carry out interdepartmental coordination on issues of ensuring the financial stability of the Republic of Kazakhstan".* • *"The Council shall be a consultative and advisory body under the President of the Republic of Kazakhstan".* • *"In its activities, the Council shall be guided by the Constitution of the Republic of Kazakhstan, laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan and other regulatory legal acts of the Republic of Kazakhstan, as well as by this Regulation on the Council".* As indicated in the NBK note "*The macroprudential policy of the NBK*", and consistent with the above-mentioned Decree, the Council is accountable to the President of the Republic of Kazakhstan and submits reports on its activities on a semi-annual basis. No disclosures by the NBK are in place in that regard
Review	***Not implemented*** No disclosures are in place regarding the reports submitted to the President of the Republic on a semi-annual basis.
Comments	The complexity of the governance framework for macroprudential policy makes it critical to ensure a high level of transparency regarding its implementation. That would mean disclosing the reports submitted to the President of the Republic on a semi-annual basis. At the same time market sensitive/restricted/classified information would not need to be disclosed.
Principle 4.5.2.	**Policies**: The central bank discloses ex-post evaluations of its macroprudential policies.
Description	The NBK Annual FSRs (FSR) offer a detailed discussion of the ex-post evaluation of its macroprudential policies. In particular, these reports present detail information on the following dimensions of financial stability. In particular, these reports provide information on the following items: • The results of an analysis and assessment of the main risks and vulnerabilities of financial stability, although the absence of incorporation of the results of stress tests limits the comprehensiveness of the analysis. • The results of regular analysis of external and macroeconomic factors, including structural factors affecting stability of the financial system, highlights issues in financial

	regulation, the level of development of the business environment and the financial market. • The most substantial factors of vulnerability of the financial system, emphasis on and discussion of which should lead to the search for more effective risk management tools. • The results of research work and analysis of risks in the financial stability area. The FSR focus on financial market participants and on audience interested in a problematic of financial stability. For instance, the Key Findings chapter of the 2023 FSR includes a section on the macroeconomic conditions relevant for financial stability, actions to support the development of the government securities market, risks in the residential real estate market, corporate loan portfolio quality, liquidity and funding risks. The main body of the 2025 FSR included the following chapters: (i) Macroeconomic conditions; (ii) Securities market; (III) Residential Real Estate Market; (iv) Risks of the banking and microfinance sector; (v) Risks of liquidity, funding, dollarization, FX and interest rate risks); and (VI) Activities of the Council for Financial Stability. Regarding the dissemination of NBK research work on financial stability, the 2023 FSR included Boxes on the following topics: (i) Financial Vulnerability Index (FVI) currently being developed by the NBK; (ii) Use of CCyB and its Modifications, including a link to the discussion paper on that issue available on the Russian NBK website; (iii) Outcome of Kazakhstan's FSAP and measures taken to implement its recommendations; (v) Liquidity Coverage Ration in Foreign Currency-FX LCR.
Review	***Core*** The NBK Annual FSR discloses detailed discussions of the ex-post evaluation of its macroprudential policies, as well as the results of NBK research work on macroprudential tools. However, the non-systematic incorporation of the results of the top-down stress tests conducted by the NBK limits the comprehensiveness of the analysis.
Comments	Systematic incorporation of the results of stress tests conducted by the NBK in the annual FSR would enhance the comprehensiveness and transparency of the ex-post evaluations of macroprudential policies.
Principle 4.6.	**Microprudential Supervision**: Selected principles from BCP, ICP, and IOSCO.
Description	Reference as per Section III.F. of the Guidance Note

Principle 4.7.	**Emergency Liquidity Assistance**: The ELA framework allows for appropriate disclosure of the provision of liquidity support, terms and conditions, and amounts provided, while maintaining confidentiality as long as required.
Principle 4.7.1	**Market-wide Liquidity Support:** The ELA framework allows for appropriate disclosure of the provision of market-wide liquidity support, terms and conditions, and amounts provided, while maintaining confidentiality as long as required.
Description	As mentioned in principle 3.8.1 the NBK hasn't provided market-wide liquidity support through loans to banks since the new ELA framework has been established. The current ELA framework is more focused on bilateral liquidity support. The NBK disclosed its liquidity support and operations in MPRs, the Annual reports.
Review	*Not applicable* No market-wide liquidity support has been provided by the NBK to banks or other entities since the current ELA framework has been established. However, the NBK communications discloses all the NBK operations, the objectives of such liquidity support, and etc.
Comments	
Principle 4.7.2	**Bilateral Liquidity Support**: The ELA framework allows for appropriate disclosure of the provision of bilateral liquidity support, terms and conditions, and amounts provided, while maintaining confidentiality as long as required.
Description	Since the introduction of the ELA framework in 2020, ELA has not been requested, thus NBK did not provide bilateral ELA. The NBK may consider publishing limited information on already repaid ELA loans, in consistency with principles of transparency and accountability. The NBK's Annual Report could be the appropriate support to explain how and to what extent the emergency liquidity provided by the central bank contributed to maintain the financial stability.
Review	*Not applicable*. No ELA has been provided since the establishment of the ELA framework in 2020.
Comments	Overall, the mentioned approach by NBK to ex-post communication on ELA seems adequate. Nevertheless, the NBK should prepare a communication strategy on its ELA operations, including ex-post communication and such strategy should be described in ELA

	procedures. The communication strategy should also be part of regular ELA simulations. The NBK's Annual Report could be the appropriate support to explain how and to what extent the emergency liquidity provided by the central bank.
Principle 4.8.	**Resolution**: Selected principles from KA.
Description	Reference as per Section III.F. of the Guidance Note
Principle 4.9.	**Financial Market Infrastructures**: Selected principles from PFMI.
Description	Reference as per Section III.F. of the Guidance Note
Principle 4.10.	**Financial Integrity**: The central bank discloses the outcome of its Anti-Money Laundering/Countering the Financing of Terrorism supervisory actions as well as details about the oversight of its internal Anti-Money Laundering/Countering the Financing of Terrorism controls.
Principle 4.10.1	**AML/CFT Supervision:** The central bank discloses the outcome of its AML/CFT supervisory actions.
Description	Not applicable
Review	Not applicable
Comments	
Principle 4.10.2	**Internal AML/CFT Controls:** The central bank discloses its internal AML/CFT controls.
Description	Not applicable
Review	Not applicable
Comments	
Principle 4.11.	**Consumer Protection**: There is clarity about the results and implications of consumer protection policies and operations conducted solely or jointly with other agencies.

Description	Not applicable
Review	Not applicable
Comments	
Pillar V—Central Bank Official Relations	
Principle 5.1.	**Government**: The central bank discloses its relationship with the government. This includes the exchange of information, the coordination of policies, and financial aspects such as rules on profit distribution, clearly distinguishing the different roles and modalities this can take.
Principle 5.1.1.	The institutional relationship between the central bank and the government/its agencies is clearly defined and publicly disclosed.
Description	The institutional relationship between the NBK and the Government and President is expressly stipulated in various provisions in the NBK Law, as follows: • the NBK is required to coordinate its activities with the Government; • the NBK and the Government are obliged to inform each other about the proposed actions and the results achieved that are of national importance, and to hold regular consultations; • the NBK takes into account the economic policy of the Government in its activities and promotes its implementation, if this does not contradict the performance of its main functions and the implementation of monetary policy • the Chairman of the NBK or one of the Deputy Governors shall have the right to take part in meetings of the Government with the right of deliberative vote • the Government is not liable for the obligations of the NBK, and likewise the NBK is not liable for the obligations of the Government, unless it assumes such liability (Article 22) • the NBK may act as a banker, financial adviser and agent of state bodies in agreement with them (Article 23) • the NBK carries out trust management of the National Fund and other assets on the basis of trust management agreements with the Government, and specifying rules for investment operations of the Fund in coordination with the central authorized body for budget execution (Article 8)

	• the NBK acts as custodian of pension assets of the Unified Accumulative Pension Fund (Article 8) • various other functions of the NBK which involve coordination with the Government, relating to payments, servicing the public debt of the Government (Article 8) • representatives of the Government and President also sit on the Management Board of the NBK (Article 16) • funds of the Government are placed in the NBK, which makes payments, carries out other operations on the accounts of the Government and provides it with other services, with the exception of direct financing which is not allowed (Article 24) • the NBK acts as financial adviser to the Government in the development and implementation of the state borrowing policy, the formation of budget policy on issues related to the monetary policy of the state (Article 25) • the NBK acts as agent of the Government on the terms and conditions agreed between them, and as agent of the Government services loans of the Government in coordination with it (Article 26) • the NBK carries out transactions with Government securities, except for acquiring Government securities of the Central Authorized Body for Budget Execution in its ownership in the primary market, and the Central Authorized Body coordinates with the NBK for admission of financial institutions to the initial placement of securities issued by the Government. The NBK also regulates the circulation of Government securities and local executive bodies in coordination with the Central Authorized Body (Article 27 & 28) • short term notes of the NBK are Government securities issued by the NBK, the obligations of which are borne by the NBK (Article 36-2) • the NBK, Government and authorized body for regulation, control and supervision of the financial market and financial organizations cooperate on the stability of the financial system on several areas set out in the NBK Law (Article 51-1) • the NBK is prohibited from charging for banking and other services provided to the Government, with the exception of services for the management of the National Fund, other funds and organizations (Article 70-1) • at the request of the authorized body for financial monitoring, the NBK submits information from its own information systems on combating laundering of proceeds from crime and financing of terrorism (Article 8(33))

	• the NBK provides information on subjects of credit history to credit bureau with state participation (Article 8(38-1)) • at the request of the NBK, state bodies, financial and other organizations, non-resident banks and insurance organizations are required to provide information and documents necessary for the NBK to perform its functions (Article 70) • the NBK carries out transactions with Government securities, except for acquiring Government securities of the Central Authorized Body for Budget Execution in its ownership in the primary market, and the Central Authorized Body coordinates with the NBK for admission of financial institutions to the initial placement of securities issued by the Government. The NBK also regulates the circulation of Government securities and local executive bodies in coordination with the Central Authorized Body (Article 27 & 28) • short term notes of the NBK are Government securities issued by the NBK, the obligations of which are borne by the NBK (Article 36-2) • the NBK, Government and authorized body for regulation, control and supervision of the financial market and financial organizations cooperate on the stability of the financial system on several areas set out in the NBK Law (Article 51-1) • the NBK is prohibited from charging for banking and other services provided to the Government, with the exception of services for the management of the National Fund, other funds and organizations (Article 70-1) • at the request of the authorized body for financial monitoring, the NBK submits information from its own information systems on combating laundering of proceeds from crime and financing of terrorism (Article 8(33)) • the NBK provides information on subjects of credit history to credit bureau with state participation (Article 8(38-1)) • at the request of the NBK, state bodies, financial and other organizations, non-resident banks and insurance organizations are required to provide information and documents necessary for the NBK to perform its functions (Article 70) The NBK's Annual Report 2023 contains brief mentions of its cooperation with the Government, such as on currency regulation and currency control, statistical activities, and other areas e.g. as part of the activities to transfer the NBK's function of monitoring the repatriation of currency to the SRC of the Ministry of Finance of the Republic of Kazakhstan (SRC MoF), the development of the departmental information system of the National Bank was ensured to provide access to the system for employees of the central office and regional departments of the SRC MoF with their training.

	The NBK's website contains a section on the Joint Work between the Government and the NBK, generally on matters of economic policy. The NBK is also a member of the FSC established pursuant to the Law about the Financial Stability Board of the Republic of Kazakhstan, whereby the NBK is the working body of the Council, and the Governor is its Chairman. The NBK informed that they participate in several other committees led by the Government, but this does not appear to be disclosed on their website or Annual Report.
Review	***Core*** Although the relationship between the NBK and the Government and/or President is extensively explained in general terms in the legal framework, it is not clarified in a structured manner either in the NBK Law, on the NBK website, in the Annual Report, or in other publications, how this relationship operates in practice. In particular, there is a lack of precision on how this collaboration will or has taken shape, what the procedures are, and what information is exchanged.
Comments	It is recommended that the NBK discloses how the relationship with the Government and/or President takes place in practice by disclosing, for instance on its website, the various working arrangements and cooperation procedures (e.g. working groups, coordination committees, bilateral meetings, etc.) with the Government in which the NBK is a part of. It may also be disclosed how these arrangements work in practice and what kind of information is exchanged.
Principle 5.1.2.	The central bank publicly discloses its policies and terms and conditions governing financial transactions with the government, including its fiscal agent role, the management of the current account, deposit taking, advances, guarantees, loans and credit arrangements to the public sector, as well as agency services performed on behalf of the government.
Description	As described in Principle 5.1.1, among the NBK's functions as stipulated in the NBK Law includes acting as banker, financial adviser and agent of the Government and state bodies. According to the NBK, the NBK acts as agent and banker of the Government by servicing the payments of the Government. The NBK maintains the Treasury Single Account and other accounts for the Government and pays out interest on a daily basis for Government deposits. In accordance with the Budget Code of the Republic of Kazakhstan (https://adilet.zan.kz/eng/docs/K080000095) (Articles 86–87), the Treasury Single Account (which includes the balances of money of cash control accounts) is opened in the NBK in the national currency for the centralized implementation of transfer operations and their accounting, and the NBK opens accounts by types of foreign currencies for the central authorized body for budget execution to carry out operations in foreign currency and keep their records.

	Under the NBK Law, the NBK is expressly prohibited from direct financing of the Government. The NBK Law authorizes the NBK to carry out transactions with Government securities, although the NBK is prohibited from acquiring such securities on the primary market. Such transactions include coordinating with the central authorized body for budget execution on the conditions for admission of financial institutions to the initial placement of Government securities and regulating the circulation of Government securities in coordination with the central authorized body for budget execution. The NBK also acts as investment manager of the National Fund and custodian for the Unified Accumulative Pension Fund. The NBK's Annual Reports contain a section on the management of funds set out as part of the NBK's functions under the NBK Law, i.e.: • National (Oil) Fund Assets—the NBK conducts investment operations with the main objectives of preservation, maintaining an adequate liquidity level, and ensuring profitability in the long-term perspective at an adequate risk level. • Unified Accumulative Pension Fund—which is under the fiduciary management of the NBK. The Budget Code sets out the types of accounting operations for the cash control accounts, which also includes the crediting of revenues, directed to the National Fund of the Republic of Kazakhstan, and their transfer to the accounts of the Government (Article 88).
Review	***Core*** There is no comprehensive, streamlined information describing the NBK's policies and terms and conditions governing financial transactions with the Government, the different roles and functions played by the NBK and how the NBK is implementing such functions. The role played by the NBK in the National Fund and Unified Accumulative Pension Fund is classified generally under "Asset Management" in the NBK's Annual Report.
Comments	In addition to its disclosure on its role in the National Fund and Unified Accumulative Pension Fund, the NBK could disclose in a specific section on its website and Annual Reports dedicated to relations with the Government, its different roles and functions as banker, financial adviser and agent to the Government and other state bodies, including the terms and conditions governing such interaction.
Principle 5.1.3.	The instruments used in interaction (including the financial transactions) between the central bank and the government/its agencies are clearly defined and publicly disclosed.
Description	Via a resolution of the Government of the Republic of Kazakhstan dated August 9, 2023 (No. 657), the Government approved the Agreement between the Government, the NBK and the

	Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market on the coordination of macroeconomic policy measures for 2024–2026 (https://primeminister.kz/assets/media/soglashenie-rus_1.pdf) for joint measures to continue improving the quality of budget, reduce the participation of the state in financing the economy, improve monetary policy, reduce the level of inflation, strengthen financial stability and develop the financial sector. These include efforts by the NBK aimed at strengthening the institutional and operational foundations of monetary policy. Initiatives include completing the process of exiting financing of state programs to support the economy in order to ensure market principles of the functioning of the financial system and the economy, and the management of the NBK will be included in a number of consultative and advisory bodies of the Government.
Review	***Expanded*** Although agreements or MOUs with the Government may be publicly available via other websites or channels, the NBK does not disclose detailed instruments used between the NBK and the Government or its agencies, including for financial transactions, on its own website, Annual Report or other publications.
Comments	For ease of reference by the general public, the NBK could disclose on its website the MOUs or other agreements that the NBK has signed with the Government and/or other public institutions or include clear links with websites of other respective Government agencies, unless direct publication is not possible (e.g. for sensitive information). The NBK could also disclose procedures for the reporting/accountability regarding the exercise of the NBK's functions with respect to the Government.
Principle 5.1.4.	The central bank discloses publicly on a regular basis the outcome of its interaction (including operations) with the government/its agencies.
Description	With regard to the outcome of the NBK's interaction relating to Government securities, the NBK website (https://nationalbank.kz/en/news/daydzhest-novostey-finansovogo-rynka-#) has a section on the Government Securities Market, with details Government Securities primary auctions, secondary market of the Government Securities, and structure of national currency denominated Government Securities in circulation. The NBK's Annual Report 2023 dedicates a section on the development of the Government securities market which was undertaken jointly with the Ministry of Finance, where the NBK continued to increase liquidity of the Government bond market by including such securities in the J.P. Morgan Emerging Markets Bond Index and implementing primary dealership. The NBK's Monetary Policy Guidelines, available on its website, also provides updates on implementation of certain projects relating to Government securities, e.g. the inclusion of Government

	securities into the list of securities settled in Clearstream, and the continuation of the NBK's operations of purchase and sale of government securities in the secondary market. The NBK's Annual Reports provide a Summary of the FSC's activities and decisions for that year, including initiatives between the NBK and the Government. Under the Asset Management section of the Annual Report, the NBK discloses the returns and other details regarding the National Fund and Unified Accumulative Pension Fund.
Review	***Core*** The legal framework discloses the relationship between the NBK and the Government. Other than disclosure on the NBK's role in relation to Government securities, the National Fund and Unified Accumulative Pension Fund, information on other aspects and outcomes of the NBK's interaction with the Government are disclosed on a general and piecemeal basis that is not immediately apparent and accessible to the general public.
Comments	The NBK is advised to publish on a more regular basis and in an accessible manner the outcomes of its interaction with the Government through press release and statements, and could also include a dedicated section on its website and Annual Report mapping such interaction to the relevant provisions specified in the NBK Law for a better understanding of such relationship by the public.
Principle 5.2.	**Domestic Financial Agencies**: The central bank discloses its relationships with domestic financial agencies as relevant to the pursuit of its mandate and the execution of its functions.
Principle 5.2.1.	The relationship between the central bank and relevant domestic financial agencies is clearly defined and publicly disclosed, including cooperation and (co-) decision-making modalities and arrangements for the formal/informal sharing of information.
Description	The **FSC**, established under Article 51-1 of the NBK Law and Presidential Decree No. 220 (December 18, 2019, link), is an advisory body to the President of Kazakhstan, Chaired by the NBK Governor. The FSC serves as a primary platform for cooperation and information sharing among financial authorities, including the NBK, the ARDFM, the Ministry of Finance, and the Ministry of National Economy. The FSC regularly assesses systemic risks and coordinates responses to financial stability threats. According to the Presidential Decree, the FSC meets quarterly or more often if needed. The **Memorandum on Financial Stability Issues**, initially adopted in 2007 and updated in 2019, explicitly defines responsibilities for financial stability among the NBK, ARDFM, and Ministry of Finance. The NBK is responsible for macroprudential oversight and overall financial stability; the ARDFM regulates and supervises financial institutions; and the

	Ministry of Finance coordinates fiscal interventions during crises. Published on the NBK website (link), the memorandum specifies coordinated crisis management protocols, including criteria for state support, conditions under which the NBK acts as LOLR, and the government's involvement in managing troubled assets of second-tier banks. The memorandum also specifies that the parties should engage through the FSC, rules for regular, timely, and comprehensive exchange of information between the NBK and ARDFM, including data on financial institutions' financial conditions, liquidity, risk exposures, and compliance with regulatory standards. To operationalize technical cooperation, the NBK and ARDFM entered into a separate **Memorandum of Understanding on Information Exchange** (effective August 1, 2024, not publicly available), establishing detailed procedures for electronic data sharing through integrated and secure channels. This MOU ensures timely exchange of sensitive supervisory information, including institutions' financial status, risk exposures, and compliance levels, with strict confidentiality safeguards. The **Law on Compulsory Insurance of Deposits**, adopted on July 7, 2006, and most recently updated in January 2021, provides a legal framework for protecting depositor interests (link). The law defines the roles of the NBK (as founder and shareholder of the Kazakhstan Deposit Insurance Fund, KDIF), the ARDFM (the designated supervisory body), and the KDIF in ensuring coordinated regulation, supervision, and depositor protection. It sets clear protocols for timely information exchange between KDIF and ARDFM to support depositor confidence and reduce systemic risk. The **Astana Financial Services Authority (AFSA)** is the independent regulator of the AIFC, established as a legal entity and statutory body of the Republic of Kazakhstan. AFSA operates in accordance with the Constitutional Law "On the Astana International Financial Centre" and is responsible for regulating financial activities within the AIFC. As an independent regulatory authority, AFSA oversees authorization, registration, recognition, and supervision of financial firms and market institutions, ensuring compliance with AIFC Regulations and Rules. In 2020, the AFSA, the NBK, and the ARDFM signed an **Agreement on Exchange of Information**. This agreement establishes a comprehensive framework for cooperation and information sharing among the three regulatory bodies. Key areas covered include authorization processes, ongoing supervision, insolvency procedures, financial recovery, anti-money laundering efforts, addressing unfair practices in the financial market, and handling legal violations. While the agreement itself is not publicly available, details about its objectives and scope have been publicly shared by the involved authorities (link). The *Memorandum about Financial Stability* (link), outlines procedures for coordination and data sharing in the execution of the financial stability mandate, is publicly available. However, its

	accessibility could be improved to ensure users can easily access the document in all three languages. Despite these disclosures, it should be noted that in practice the division of macroprudential responsibilities between the NBK and the ARDFM is not always clear and would therefore need to be amended, as noted by the 2024 FSAP, and that the crisis response coordination is not fully documented (see also Principles 2.5.1, and 5.2.3).
Review	***Expanded*** The legal framework, which contains provisions establishing cooperation and coordination between the NBK and domestic financial regulatory and supervisory authorities, is published on the NBK website, and on the Legal Information System of Regulatory Legal Acts of the Republic of Kazakhstan. Agreements between the NBK and other regulatory agencies are either disclosed, or their essence is made public. The legal framework governing the FSC is also made public.
Comments	The division of macroprudential responsibilities between the NBK and the ARDFM and the legal assignment of macroprudential tools should be clarified at the legislative level and by updating the Memorandum on Financial Stability Issues accordingly.
Principle 5.2.2.	The policies and instruments used in the interaction of the central bank with domestic financial agencies, and the outcome of the interaction are transparent.
Description	With respect to the NBK's **interaction with other agencies on the FSC**, decisions of the FSC may be published in the media or brought to the attention of financial market participants in any other way in accordance with the current legislation of the Republic of Kazakhstan. In practice, a press release is published on the NBK website after each meeting of the Council (see for instance the March 3, 2025 Press Release on the CCB instrument, link). In addition, Section VI of the **NBK FSR** (link), "*Activities of the Council for Financial Stability of the Republic of Kazakhstan*" provides a summary of the meetings of the Council, including the recommendations that were adopted in that context. The FSR also provides transparency on capital adequacy ratios, liquidity requirements, risk limits, and countercyclical buffers, which are designed to mitigate systemic risks and support financial stability. Furthermore, the **August 2024 Macroprudential Policy Document** (link) offers an overview of the NBK's macroprudential tools and strategy, with relevant references to recommendations and guidance of the IMF, the Financial Stability Board (FSB), the Basel Committee on Banking Supervisions, the European Systemic Risk Council and other international organizations in the field of macroprudential policy. It discloses the macroprudential framework in place in Kazakhstan, including its objectives, instruments, and

	strategy for achieving its objectives (see Principle 2.5.1 for more information). The *Memorandum about Financial Stability* (link), outlines procedures for coordination and data sharing in the execution of the financial stability mandate, is publicly available. However, its accessibility could be improved to ensure users can easily access the document in all three languages. However, as indicated in the abovementioned 2024 Macroprudential Policy Document and established by the Presidential Decree No. 220 (December 18, 2019), the FSC is accountable to the President of the Republic of Kazakhstan and submits reports on its activities on a semi-annual basis. These reports or their summary are not disclosed to the public (see also Principle 4.5.1)
Review	***Expanded*** The NBK's implementation is at the expanded level because it provides detailed disclosures of the policies, instruments, and outcomes of its interactions with domestic financial agencies.
Comments	The NBK could also disclose, through press releases or in the FSRs, a summary of the FSCs reports to the President of the Republic of Kazakhstan.
Principle 5.2.3.	With respect to macroprudential policy, the central bank discloses its role, responsibly, and actions—and those of any other authority it collaborates with. The central bank also discloses any advice it receives.
Description	As mentioned above, the NBK collaborates with ARDFM, the AFSA, and the Ministry of Finance through the FSC, and discloses its macroprudential policy framework, objectives and instruments through the FSR and other documents published on its website, such as the 2024 August 2024 Macroprudential Policy Document. The latter includes references to recommendations and guidance of the IMF, the FSB, the Basel Committee on Banking Supervisions, the European Systemic Risk Council and other international organizations in the field of macroprudential policy. However, there is ambiguity in the legal assignment of macroprudential tools. See also description under Principle 2.5.1, which notes that certain macroprudential tools (e.g., loan-to-value ratios (LTV), CCyBs) are not explicitly assigned to NBK in legislation, but to the ARDFM as a body authorized to establish prudential standards. The authorizes are in discussions to remedy this at the legislative level and to update the Memorandum on Financial Stability Issues accordingly.
Review	***Expanded***

	The NBK discloses its role and responsibly, and its actions and those of other regulatory agencies. The NBK also discloses advice receives.
Comments	The division of macroprudential responsibilities between the NBK and the ARDFM and the legal assignment of macroprudential tools should be clarified at the legislative level and by updating the Memorandum on Financial Stability Issues accordingly.
Principle 5.2.4.	With respect to financial stability, all arrangements to restore or maintain financial stability are clearly disclosed, including arrangements on data sharing, liquidity support, and who is responsible for which type of decision or action at what stage.
Description	As, already noted under Principles 5.2.1 and 5.2.2, the NBK provides expanded disclosures on financial stability arrangements, interagency coordination, and systemic risk assessments. The NBK publishes FSR reports and financial stability measures, but more detailed documentation on crisis response mechanisms and ELA remains limited. While the 2007 MOU outlines some crisis management processes, there is little publicly available information on how interagency coordination operates in financial distress scenarios. This includes the specific decision-making process for activating lender-of-last-resort support and the criteria for government intervention in failing institutions.
Review	***Expanded*** The NBK's implementation is at the expanded level because it provides detailed disclosures on financial stability arrangements and the responsibilities of different authorities.
Comments	The NBK should provide clearer documentation on its financial stability interventions, ELA mechanisms, and decision-making criteria during crises.
Principle 5.3.	**Foreign Agencies**: The central bank discloses its dealings with international organizations foreign governments, other central banks, and other relevant foreign agencies, including the nature of the involvement or interactions, and any obligations and commitments that may arise from these relationships.
Description	The basis for the relationship between the NBK and foreign agencies is detailed in the NBK Law which provides that: • The NBK represents, within its competence, the interests of the Republic of Kazakhstan in relations with central banks and banks of other countries, in international banks and other financial and credit organizations (Article 1).

	• The NBK's functions include to cooperate with central banks and other supervisory bodies, international and other organizations (associations of central banks, control and supervisory bodies of other states established for developing uniform standards for regulating the activities of the banking sector, the securities market and the insurance market) for the exchange of confidential information for the implementation of control and supervisory functions (Article 8). The NBK's website has a brief commentary on its objectives for its involvement in integration processes aimed at maintaining financial stability. The NBK informed that they have internal rules relating to technical cooperation with other central banks and for receiving technical assistance; however, these are not publicly available. The NBK discloses its involvement in international and regional organizations and forums in the Annual Reports and its website. These include the International Cooperation section in the Annual Report which details the interactions of the NBK with other central banks and international and regional organizations and forums, such as the International Monetary Fund, World Bank, United Nations, Bank for International Settlements (BIS), Asian Development Bank, European Bank for Reconstruction and Development (EBRD), Islamic Financial Services Board, Islamic Development Bank, Eurasian Economic Union, CIS, Shanghai Cooperation Organization, Accounting and Auditing Organization for Islamic Financial Institutions and the International Islamic Financial Market. The NBK website and Annual Report provide high-level updates on the activities and involvement of the NBK in these various organizations and forums. The NBK website breaks down into further detail its cooperation with regional organizations (Eurasian Economic Union, CIS, Shanghai Cooperation Organization), other central banks (in Europe, Asia and Club of Central Bank Governors of Central Asia, the Black Sea Region and the Balkans) and international financial organizations (IMF, WB, BIS, EBRD, ADB, Basel Advisory Group, Asian Infrastructure Investment Bank) with specific details about its cooperation and involvement with such entities. Further, the NBK informed that disclosure is also made via press releases and via its social media, on main international visits, signing ceremonies with counterparties as well as participation of the NBK in the Annual and Spring meetings of the IMF and WB. The NBK website also discloses that the NBK is a party to 72 international treaties, agreements and memoranda, relating to: (i) development and deepening of relations with the central banks of foreign states and international financial organizations; (ii) participation in the interstate organizational structures of CIS countries and regional integration agencies; membership of the Republic of Kazakhstan in the capital of international financial organizations. The website publishes certain bilateral agreements with other central banks, such as the Cooperation Agreement between the NBK and National Bank of Poland, as well as the MOU on Cooperation between the NBK and the Bank of Italy. Further, there is a section on the NBK website relating to international cooperation in currency regulation (https://nationalbank.kz/en/page/mezhdunarodnoe-

	sotrudnichestvo_vo), which sets out the NBK's cooperation with international financial organizations, international economic development and cooperation organizations, supranational agencies under economic and regional unions, central banks and competent state authorities of foreign countries on FX transactions, ease of capital movement and capital account openness, stability of the domestic FX market, economic security and combating money laundering and terrorism financing.
Review	***Comprehensive*** The NBK clearly defines and discloses its relationships, including exchange of information and coordination of actions/policies with international and regional organizations and forums.
Comments	The NBK could enhance even further its transparency in its relations with foreign agencies by providing clarity on its objectives, strategy and framework for international cooperation on its website and/or Annual Report.
Principle 5.4.	**Other Relations**: The central bank discloses its involvement with private or semi-public institutions.
Principle 5.4.1.	The central bank discloses its investments in and ownership of subsidiaries and joint ventures with private, semi-public, or public entities.
Description	The NBK provides disclosure on its investments and ownership of subsidiaries, joint ventures, and related entities. According to the 2023 financial statements, the NBK owns and controls a total of 12 subsidiaries, all of which play a role in financial stability, payment systems, asset management, and financial infrastructure development. These include: RSE Kazakhstan Mint of the NBK (Established in 1994)—Coin manufacturing. JSC National Payment Corporation of the NBK (1996)—Electronic money transfers. JSC Bank Service Bureau of the NBK (1996)—Software development and maintenance. JSC Kazakhstan Deposit Insurance Fund (KDIF) (1999)—Individual deposit guarantee. RSE Banknote Factory of the NBK (2004)—Banknote manufacturing. JSC Center for the Development of Payment and Financial Technologies of the NBK (2007)—Research and consulting services in payment and financial technologies.

	JSC Center of Activities' Maintenance of the NBK (2011)—Transportation and property management. JSC National Investment Corporation of the NBK (NIC NBK) (2012)—Asset management for the National Fund, gold and forex reserves, and pension assets. JSC State Credit Bureau (2012)—Credit history generation and credit reporting. NICK Master Fund Ltd (2015)—Management of gold and FX assets. JSC Kazakhstan Sustainability Fund (KSF) (2017)—Financial stability support for second-tier banks and the economy. JSC Central Securities Depository (1996)—Depository services (NBK holds a 63.24 percent stake). The NBK website provide an overview of the NBK subsidiaries and their roles in the overall operations of the NBK. The financial statements provide details on its role in fund management and financial infrastructure entities. Additionally, the NBK holds a significant investment in Kazakhstan Stock Exchange JSC (KASE), classified as an associated entity since 2019 (previously a subsidiary), and owns shares in KMG JSC.
Review	***Expanded*** The NBK publicly discloses its ownership interests in subsidiaries, associated entities, and joint ventures. The NBK website provide an overview of the NBK subsidiaries and their roles in the overall operations of the NBK. The financial statements provide details on its role in fund management and financial infrastructure entities.
Comments	To improve transparency, the NBK should consider: (i) providing more details on governance structures and decision-making influence in its subsidiaries and associated entities; and (ii) providing context for its equity investment in KASE and KMG including on whether and how these support its mandate.

Annex II. List of NBK Units and External Stakeholders

National Bank of Kazakhstan Senior Management and Staff:

Advisers to the Governor

Monetary Policy Department

Monetary Operations Department

Financial Stability and Research Department

Risk And Compliance Department

Legal Department

Internal Audit Department

Communications Department

Finance Department

Human Resources Department

Accounting Department

Financial Organizations Development Department

Balance of Payment Department

Financial Monitoring and Currency Control Department

Administrative Affairs Department

International Cooperation Department

Department of Operational Accounting

External Stakeholders:

Ministry of National Economy

Kazakhstan Financiers Association

Kazakhstan Stock Exchange

Astana International Financial Center

Commercial Banks:

Members of the Media:

Think tanks and Members of the Academia

Standard&Poors

Goldman Sachs

Ashmore Group PLCJPMorgan Chase & Co.

Annex III. Quantitative Analysis of the National Bank of Kazakhstan's Communication

1. A quantitative analysis of the NBK's communication assessed its publications' readability, clarity, and thematic breadth. The analysis includes lexical, syntactical, and semantical analyses to assess central bank communication practices. The lexical analysis uses readability metrics to determine the wording complexity, an essential component of communication comprehensibility. The syntactical analysis focuses on sentence structure complexity using dependency measures, which is relevant to identifying potential clarity barriers. The semantical analysis examines the meaning of the text in four dimensions: what the text is talking about (topic), the communication stance (backward or forward-looking), the primary recipient of the messages (audience), and the policy sentiment.

2. A novel text-based classifier fine-tuned for the domain of central bank communications was employed for the semantical analysis. This model leverages recent advancements in multilingual large language models (LLMs), similar to ChatGPT.

3. The mission examined electronically available NBK's traditional central bank communications outlets. They included annual reports, monetary policy decisions, monetary policy reports (MPR), and financial stability reports (FSR). No two central banks are identical in their communication and transparency practices, as each operates within its own economic context, legal and institutional framework, market structure, and level of financial literacy. Nevertheless, there is considerable value for the NBK in learning from peer institutions—articularly those operating under similar monetary policy regimes and facing comparable challenges. The mission benchmarked the quantitative indicators extracted from NBK's publications against a broad set of economies, including emerging and advanced inflation-targeting economies (Table 1). Additionally, Kazakhstan's communication was compared to three individual countries: Norway (an oil-exporting reference economy), Georgia (a regional peer), and Russia (the largest post-Soviet economy).

Table 1. Kazakhstan: Benchmark Arrangement Definition

Benchmark Name	Constituent Countries
Inflation-targeting and emerging economies	Albania, Armenia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Georgia, Guatemala, Hungary, India, Indonesia, Jamaica, Kazakhstan, Mexico, Paraguay, Peru, Philippines, Poland, Romania, Russia, Serbia, Seychelles, South Africa, Sri Lanka, Thailand, Turkiye, Ukraine, Uruguay
Inflation-targeting and advanced economies	Australia, Canada, Czech Republic, Iceland, Israel, Japan, New Zealand, Norway, South Korea, Sweden, United Kingdom
Reference oil-exporter economy	Norway
Local reference central bank	Georgia
Post-Soviet Largest Regional Economy	Russia

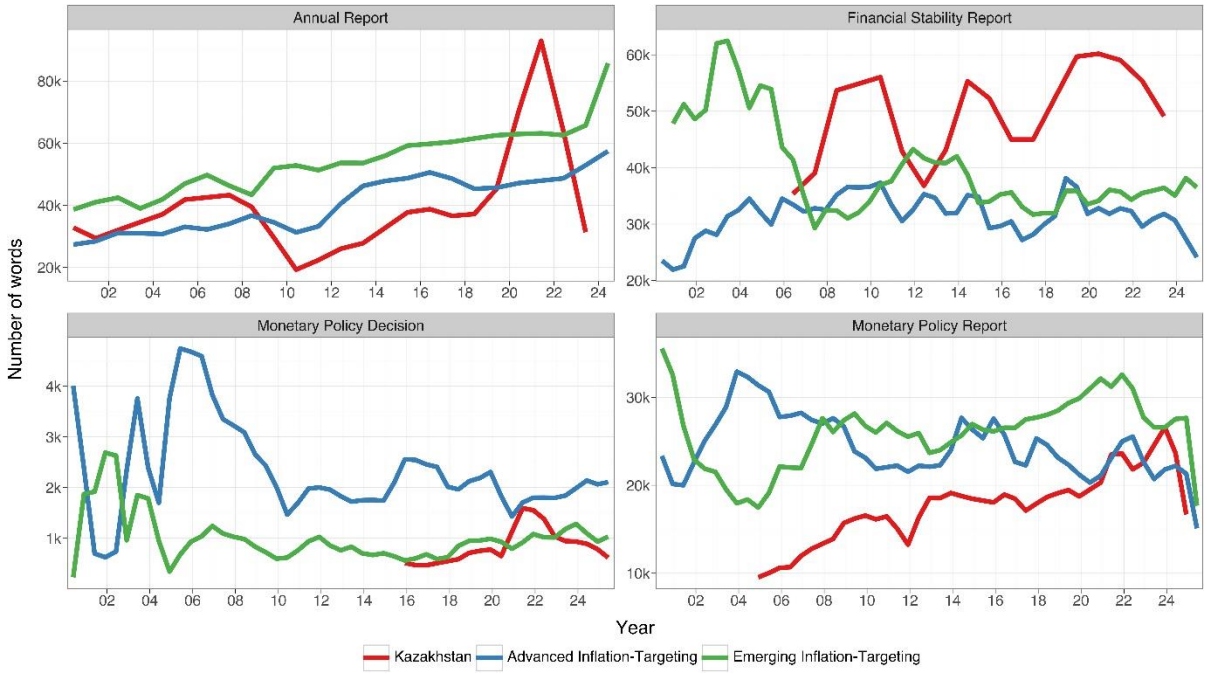
Source: IMF mission calculations.

Lexical Analysis

4. Kazakhstan's central bank has a well-established set of communication outlets, covering all traditional publication types. Traditional central bank communications include annual reports, FSRs, MPRs, and monetary policy decisions. The FSRs have been published for a more extended period than 64 percent of emerging inflation-targeting economies in the sample. Annual and MPRs have lifespans comparable to the median emerging economy. In contrast, monetary policy decisions are a more recent addition, aligning with Kazakhstan's adoption of inflation targeting (IT) in 2015, marking a structural shift in its communication strategy.

5. Kazakhstan's central bank takes a mixed approach to the length of its communications (Figure 1). Monetary policy decisions and reports are comparable in length to those of the median inflation-targeting emerging economy. However, annual reports have been streamlined in recent years, diverging from the global trend of increasing length. The decrease in the length of Kazakhstan's central bank annual reports is likely due to the transfer of financial regulation responsibilities to the Agency for Regulation and Development of the Financial Market (ARDFM), which narrowed the scope of the central bank's reporting. In contrast, FSRs are substantially longer than other economies, reflecting a more extensive treatment of financial stability issues.

Figure 1. Length of Communication



Source: NBK and IMF mission calculations.

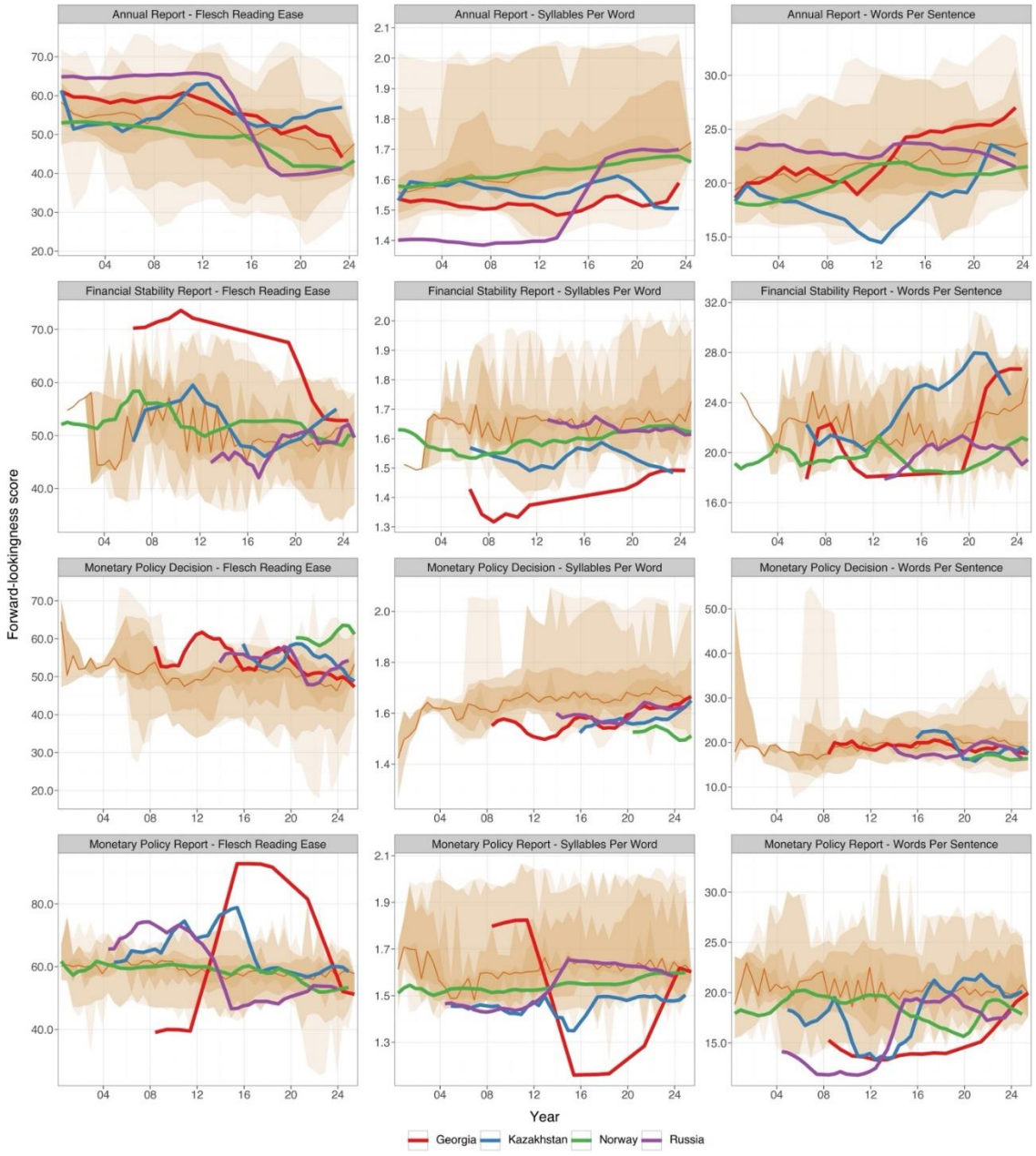
Note: Length (in terms of number of words) of Kazakhstan and benchmark countries' annual reports, FSRs, monetary policy decisions (the publication and/or the associated press release and minute, if available), and MPRs.

6. The lexical readability is assessed using the Flesch-Kincaid Reading Ease score. This score evaluates how easily a text can be understood based on sentence length and word complexity (measured by syllables per word). The score is adjusted for cross-lingual comparison, ensuring a fair language assessment. Readability is a key factor in effective communication, as clearer texts enhance stakeholder understanding and reduce the risk of misinterpretation. By benchmarking Kazakhstan's readability against peer economies, one can provide insights into how accessible its central bank communications are to various audiences, including market participants, businesses, and the general public.

7. Kazakhstan's central bank publications generally exhibit higher readability than most inflation-targeting emerging economies (Figure 2). Annual reports have comparatively high readability, driven by the consistent use of simpler words and shorter sentences. Despite still being below the median value, the sentence length has been increasing since 2012, which is a factor that decreases readability. Similarly, despite their extensive length, FSRs maintain higher readability than peer economies, primarily due to using fewer complex words. Nonetheless, longer sentences have constrained further readability improvements in FSRs.

8. Readability in monetary policy communications has been declining (Figure 2). While MPRs align with the median inflation-targeting emerging economy, longer sentences have decreased readability. More notably, monetary policy decisions have experienced a steady decline in readability since 2020. Both longer sentences and greater word complexity drive this trend.

Figure 2. Lexical Readability



Source: NBK and IMF mission calculations.

Note: Lexical readability (left-most panel) and its components (syllables per word in the middle panel) and words per sentence in the right-most panel) of monetary policy decisions for Kazakhstan and benchmark countries' central banks. The lexical readability is measured using the Flesch-Kincaid Reading Ease metric (the higher, the more readable). Browish colors represent percentiles of the distribution composed of inflation-targeting and emerging economies. Percentiles 10, 25, 40, 50, 60, 75, and 90 percent are shown. Country-specific values are displayed for Kazakhstan (blue), Georgia (red), Norway (green), and Russia (purple).

Syntactical Analysis

9. The syntactical readability of Kazakhstan's central bank publications is assessed using the average syntactical dependency depth. This metric measures the complexity of sentence structures. Higher values indicate more convoluted sentences with deeper hierarchical structures, while lower values reflect more direct and easily interpretable phrasing. Dependency depth is calculated as the longest path from a sentence's root verb to its most distant dependent word, capturing the layering of phrases and clauses.

10. Kazakhstan's annual and FSRs have become more complex in sentence structure, unlike the trend seen in other inflation-targeting emerging economies. The deeper syntactic layering in these documents may make them harder to interpret, particularly for non-expert audiences, potentially affecting their effectiveness in conveying key financial and economic insights.

11. The sentence structure of Kazakhstan's monetary policy decisions and reports has improved. This simplification aligns with best practices for central bank communication, enhancing accessibility for market participants and policymakers who rely on timely and precise messaging.

12. Lexical and syntactical analyses offer complementary perspectives on text comprehensibility. While lexical analysis evaluates the complexity of individual words, syntactical analysis assesses how sentences are structured and layered. These metrics do not have a mechanical relationship—simpler vocabulary does not necessarily imply more straightforward sentence structure—underscoring the importance of analyzing both dimensions to understand central bank communication features more comprehensively.

Figure 3. Syntactical Readability



Source: NBK and IMF mission calculations.

Note: The syntactic readability is evaluated using the average dependency depth of the documents (the higher, the less clarity). Browish colors represent percentiles of the distribution composed of inflation-targeting and emerging economies. Percentiles 10, 25, 40, 50, 60, 75, and 90 percent are shown. Country-specific values are displayed for Kazakhstan (blue), Georgia (red), Norway (green), and Russia (purple).

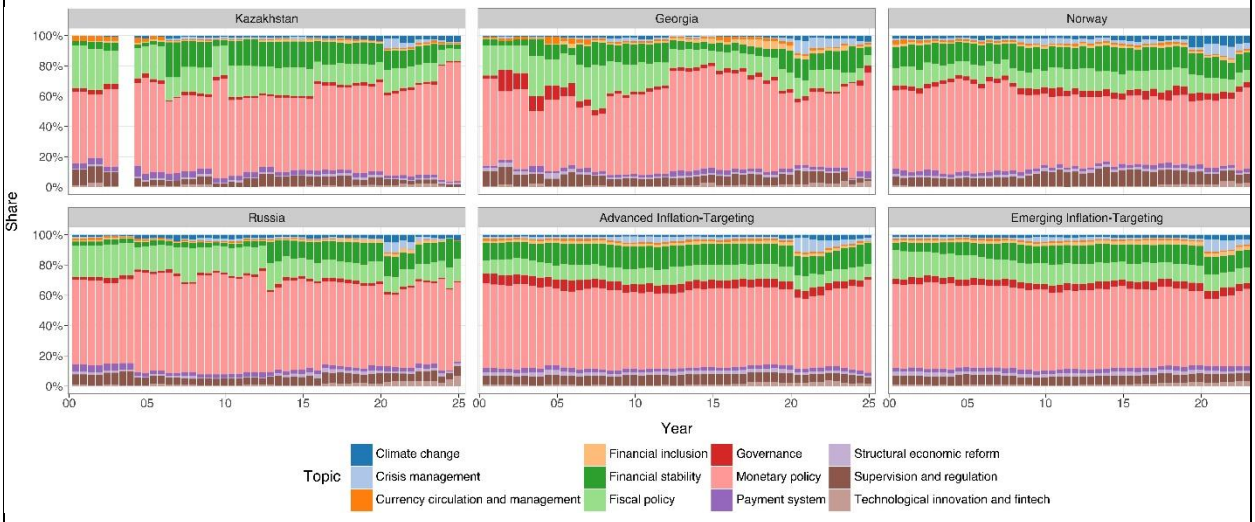
Semantical Analysis

13. Kazakhstan's communication semantics have been analyzed using large language models (LLMs). LLM is a state-of-the-art methodology that can be used to classify and interpret text in an automated manner. LLMs are particularly suited to extracting semantic information from text, making them invaluable tools for better understanding the macroeconomic context conveyed through language. By leveraging the power of LLMs, the analysis in this section discerns topics, communication stances, audiences, and policy sentiment at the sentence level for each document, providing a deeper insight into central bank communications. The LLM was fine-tuned to capture the

nuanced reasoning in central bank communication, making it effective for analyzing complex communication patterns.

14. Kazakhstan's communication is primarily on monetary policy, and the focus has been increasing in recent years (Figure 4). The prominence of the monetary policy topic in central bank communication is also observed in most economies, particularly in response to inflationary pressures. In contrast, the share of sentences dedicated to governance remains lower compared to advanced and emerging inflation-targeting economies. Additionally, Kazakhstan's attention to financial stability has increased since 2006, following the introduction of its FSR, which has become a prominent part of its communication strategy.

Figure 4. Topic Distribution of Central Banks Publications

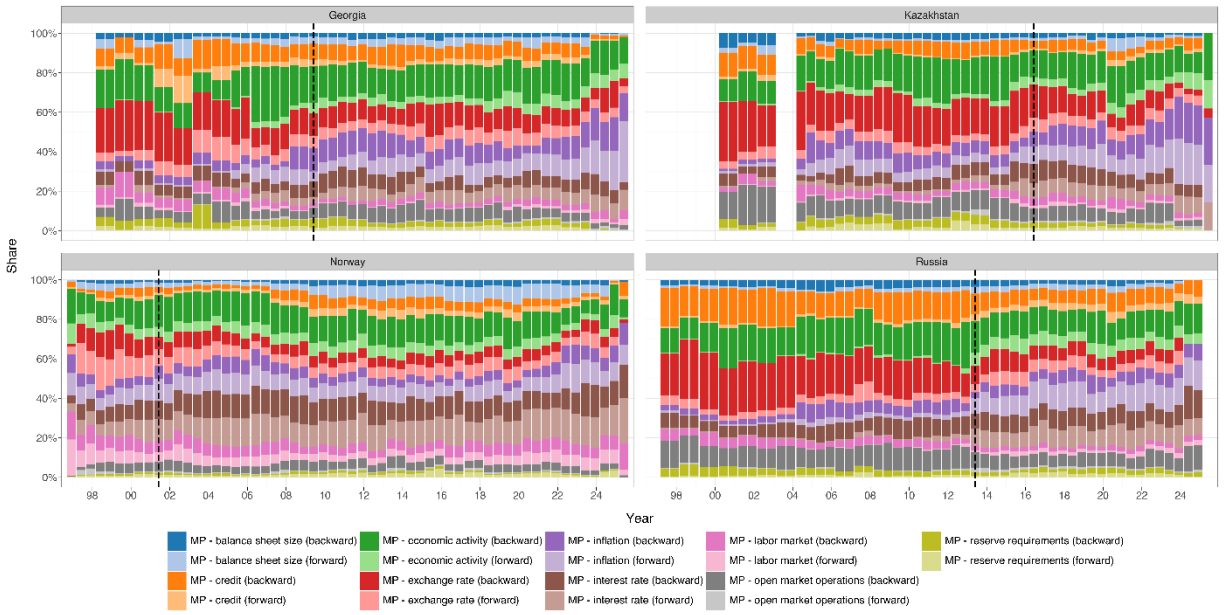


Source: NBK and IMF mission calculations.

Note: The share of a specific topic in a document is calculated by the number of sentences of that topic as a percentage of the total number of sentences. Gaps in particular years indicate the absence of data.

15. Kazakhstan's monetary policy communication has significantly evolved after adopting the inflation-targeting monetary policy framework (Figure 5). Kazakhstan's backward-looking exchange rate statements gave way to forward-looking statements on inflation, interest rates, and economic activity. This shift aligns with trends in other countries that adopted the inflation-targeting framework. This transition highlights Kazakhstan's move toward a more proactive and forward-thinking communication approach in line with global best practices for inflation-targeting economies.

Figure 5. Breakdown per Subtopic

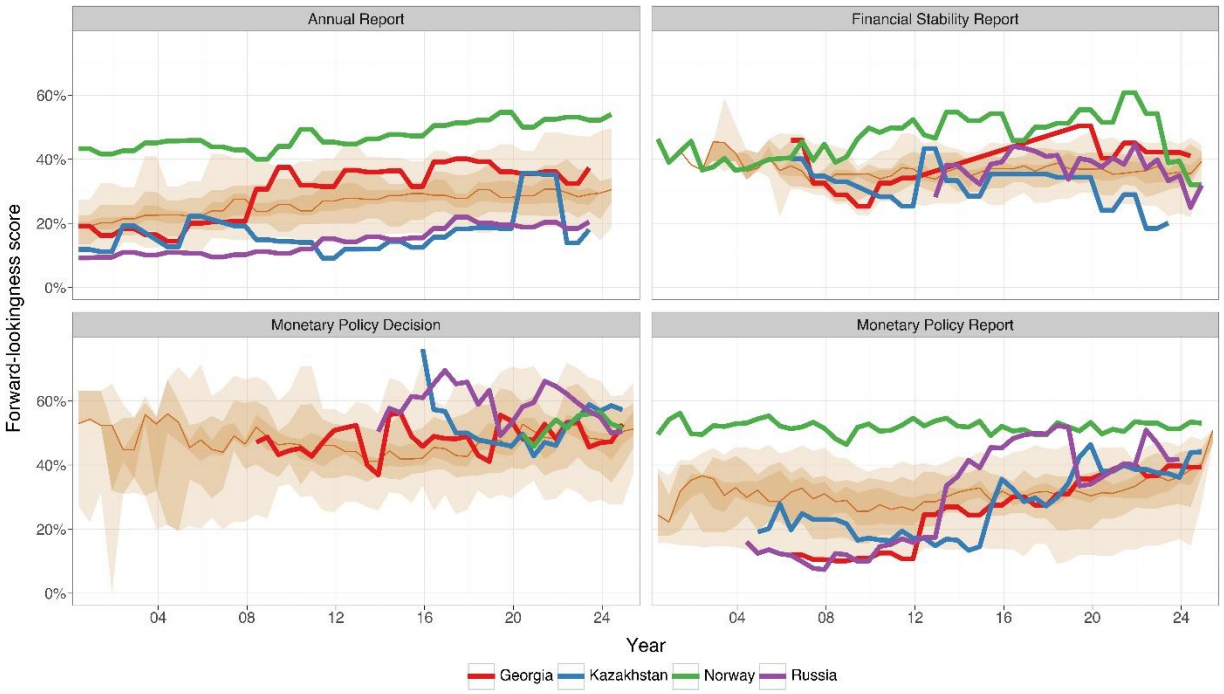


Source: NBK and IMF mission calculations.

Note: The share of each subtopic is calculated by the number of sentences in that subtopic as a percentage of the total number of sentences related to monetary policy. Gaps in particular years indicate the absence of data.

16. While forward-looking statements in monetary policy decisions have increased, FSRs are among the most backward-looking in the sample (Figure 6). Since 2020, Kazakhstan's monetary policy decisions have become more forward-looking, surpassing the median inflation-targeting emerging economy. The improvement may be explained by the increased use of forward guidance elements in the decisions. In contrast, Kazakhstan's FSRs are among the least forward-looking, and this trend has intensified in recent years. While many countries have made their annual reports more forward-looking, Kazakhstan remains behind the average inflation-targeting emerging economy in this regard, with a greater emphasis on past conditions. Similarly, MPRs have increased forward-looking content, aligning with the median for these economies, though they still lag behind oil-exporter advanced economies like Norway.

Figure 6. Forward-lookingness



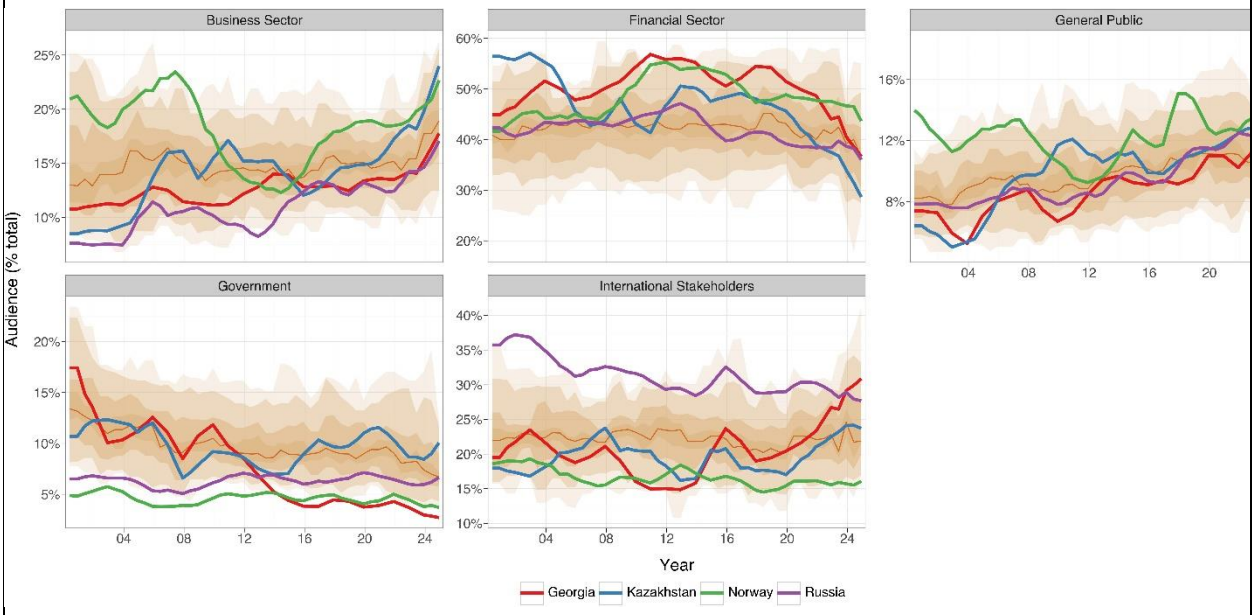
Source: NBK and IMF mission calculations.

Note: The forward-lookingness score is the share of sentences classified as forward-looking as a percentage of the total sentences, irrespective of the topics. Browish colors represent percentiles of the distribution composed of inflation-targeting and emerging economies. Percentiles 10, 25, 40, 50, 60, 75, and 90 percent are shown. Country-specific values are displayed for Kazakhstan (blue), Georgia (red), Norway (green), and Russia (purple).

17. While the financial sector is the primary communication recipient, Kazakhstan's communication strategy has evolved to engage more diverse stakeholders since adopting inflation-targeting (Figure 7). While the financial sector remains the most addressed audience, its relative share has declined, making way for increased attention to businesses, households, government institutions, and international stakeholders. This diversification aligns with a broader trend observed in some inflation-targeting economies, where central banks seek to enhance transparency, manage expectations, and strengthen policy credibility across different segments of society.

18. Kazakhstan has strongly emphasized the business sector, similar to other resource-rich economies like Norway, where commodity price fluctuations directly impact corporate investment, inflation expectations, and economic stability (Figure 7). By expanding its communication focus, the central bank aims to improve monetary policy transmission beyond financial markets, fostering a better understanding of inflation dynamics and policy objectives among businesses. However, as its audience base diversifies, the challenge lies in maintaining clarity and effectiveness in messaging while ensuring that financial market participants—who play a crucial role in policy transmission—remain well-informed.

Figure 7. Primary Recipient of Central Banks' Publications

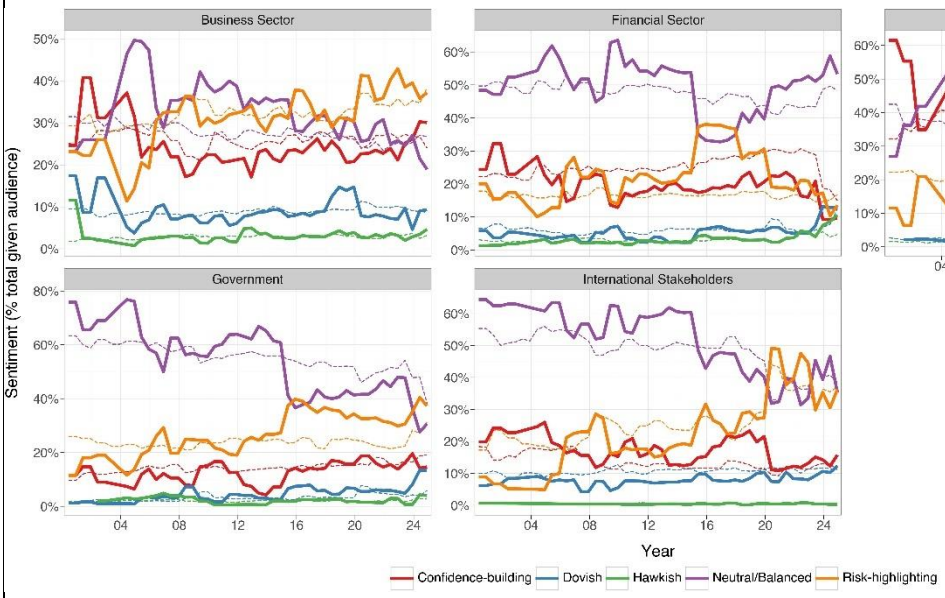


Source: NBK and IMF mission calculations.

Note: The share for a specific audience is calculated as a percentage of the total number of sentences focused on that audience. Browish colors represent percentiles of the distribution composed of inflation-targeting and emerging economies. Percentiles 10, 25, 40, 50, 60, 75, and 90 percent are shown. Country-specific values are displayed for Kazakhstan (blue), Georgia (red), Norway (green), and Russia (purple).

19. Kazakhstan's central bank communication is distinctly tailored to different audiences, with noticeable variations in sentiment distribution over time (Figure 8). Communication with households (or general public) tends to emphasize confidence-building, likely aiming to maintain trust and stability in the face of economic uncertainties. However, risk-highlighting statements also feature prominently, suggesting a balance between reassurance and transparency regarding potential economic challenges. In contrast, risk-highlighting statements for the financial sector has decline to values similar to the median IT emerging economy. Most statements directed to the financial sector, government and international stakeholders are neutral/balanced messaging, aligning with the need for technical, quantitative, policy-focused discourse. The dynamic shifts in sentiment over time further underscore how Kazakhstan adjusts its messaging to different stakeholders, reflecting both economic conditions and strategic communication priorities.

Figure 8. Communication Sentiment for Different Primary Recipients



Source: NBK and IMF mission calculations.

Note: The share for a specific sentiment is calculated as a percentage of the total number of sentences focused with that sentiment for a given audience. Continuous lines represent Kazakhstan's sentiment shares given the audience. Dashed lines of the same color show the same information for the median inflation-targeting emerging country.

Textual Metrics: A Detailed Analysis of Monetary Policy Communication

20. The mission analyzed textual metrics to assess policy signaling, tone, consistency, and explainability in central bank communication (see Table 2 for the formal metric definitions). The analysis is restricted to monetary policy decisions to capture monetary policy communication patterns. The structure rigidity score measures the degree of structural rigidity in monetary policy decisions. The mission also extracts key policy themes from central bank communications. The net policy sentiment metric quantifies the balance between hawkish (tightening) and dovish (easing) communication signals in monetary policy communication outlets. This measure permits the examination of the extent to which communication signals in the primary monetary policy communication outlet align with the actual monetary policy stance. The straightforwardness index measures the clarity of monetary policy communication by assessing the co-occurrence of hawkish, dovish, and neutral sentences in the same monetary policy decision. The explanation index gauges the degree of explanation of monetary policy actions in monetary policy decisions. Together, these metrics provide a comprehensive framework for evaluating the signaling and coherence of monetary policy communication.

Table 2. Kazakhstan: Definition of the Metrics Used to Evaluate Monetary Policy Decisions

Metric	Equation	Rationale
Structure rigidity score	Output from an LLM	*Motivation* • This score evaluates how consistently the central bank maintains the same structure across its monetary policy releases, ensuring clarity and reducing the potential for misinterpretation. • An LLM determine a score based on two consecutive monetary policy decisions. The score is determined by comparing the organization and presentation of content in the current and previous policy decisions, with higher scores indicating more structural consistency. *Interpretation*: • Higher values indicate more structural similarity between two consecutive monetary policy decisions.
Key policy themes	Output from an LLM	*Motivation* • This identifies whether the central bank addresses crucial topics like financial stability, unconventional monetary policy tools, or other relevant areas, reflecting the breadth and focus of its policy communication. • An LLM determine the presence of each key policy theme in a single monetary policy decision. *Interpretation* • The model outputs a binary variable indicating the presence of absence of the following policy themes in monetary policy decisions: exchange rate, financial stability, fiscal factors, forward-guidance, inflation expectations, oil considerations, policy rationale, political factors, and unconventional measures.
Net Policy Sentiment	$NPS = \frac{H - D}{H + D}$	*Motivation*

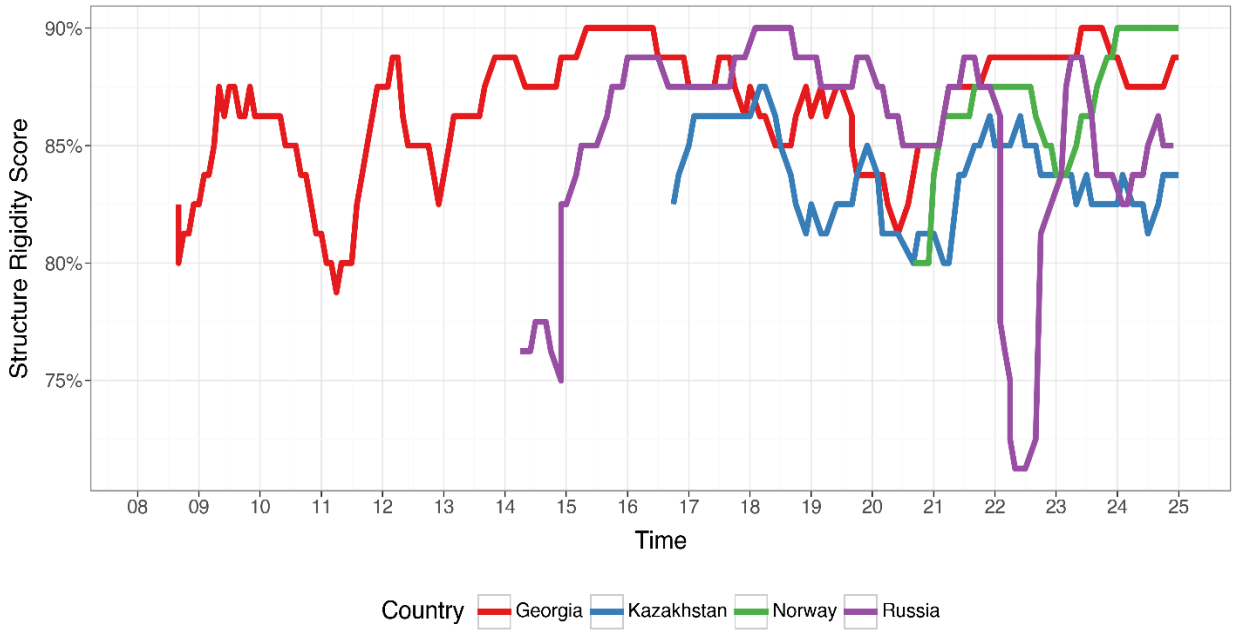
(NPS)	in which H and D are the quantity of hawkish and dovish sentences. Domain: $[-1, 1]$	• Quantifies the balance between "tightening signals" (hawkish) versus "easing signals" (dovish) in central bank communications focused on monetary policy (i.e., the monetary policy decisions and reports, if available). • We can quantify this index using only forward-looking sentences, effectively providing a proxy that also embodies forward guidance elements in the monetary policy decisions. • Similarly, we can evaluate this index using the backward-looking sentences only, which provide justification for the decisions given current and past conditions. *Interpretation* • Higher values indicate tightening communication, while lower values suggest accommodative communication.
Straightforwardness Index (SI)	$SI = \frac{N + \lvert \mathrm{H} - \mathrm{D} \rvert}{N + H + D}$ in which N, H and D are the quantity of neutral/balanced, hawkish and dovish sentences. Domain: $[0, 1]$	*Motivation*: • Mixed communications signals (tightening and dovish signals) in the same monetary policy decision may undermine clarity and the intended guidance of central bank monetary policy communication to the market and stakeholders. • The straightforwardness index measures the homogeneity of these communication signals in the same monetary policy decision. *Interpretation*: • An increased co-existence of hawkish and dovish sentences in the same monetary policy decision reduces communication consistency. • Monetary policy decisions with clear communication signals tend to lean heavily toward hawkish sentences if it wants to communicate a tightening stance. • The co-existence of risk-highlighting and confidence-building sentences that are typical to explain policy stances do not change the straightforwardness index.
Explanation Index (EI)	$EI = \frac{C + R + N}{H + D}$	*Motivation*: • Monetary policy decisions have: (i) policy-stance; and (ii) explanatory sentences. Typically, authorities explain policy-stance statements with explanatory sentences.

	in which C, R, N, H, D are the quantity of confidence-building, risk-highlighting, neutral/balanced, hawkish and dovish sentences. Domain: ≥ 0	• Policy-stance statements are typically explained with statements about the economy, which have either a risk-highlighting, confidence-building, or neutral connotation. • The numerator contains the quantity of explanatory statements, which are classified by the model as confidence-building, risk-highlighting, and neutral. • The denominator contains policy-stance statements, which are hawkish or dovish. *Interpretation*: • The index measures the number of explanatory sentences per stance-related sentence. • If the EI=2, it means that for every policy stance statement, there are, on average, two explanatory sentences

21. Kazakhstan's monetary policy decisions have maintained a relatively consistent structure, aligning with best practices to facilitate more straightforward communication and reduce the risk of misinterpretation (Figure 9). Typically, decisions begin with the base rate announcement, followed by the economic rationale. However, the structure has gradually evolved, incorporating more detailed discussions on inflation expectations, external economic conditions, and monetary policy instruments. Alongside these refinements, while earlier decisions focused on global factors such as U.S. Federal Reserve policy and global growth, more recent decisions prioritize domestic inflation drivers, policy transmission channels, and fiscal interactions.

22. Kazakhstan's monetary policy decisions have become more streamlined since 2021 (Figure 1), with statements becoming increasingly concise. While this shift enhances clarity and accessibility, it also risks reducing the depth of information available to market participants. Earlier decisions provided extensive discussions on inflation components, risks, and forecasts, whereas recent statements prioritize brevity. Balancing conciseness with transparency will be key to maintaining effective communication and supporting well-anchored inflation expectations.

Figure 9. Structure Rigidity Score of Monetary Policy Decisions

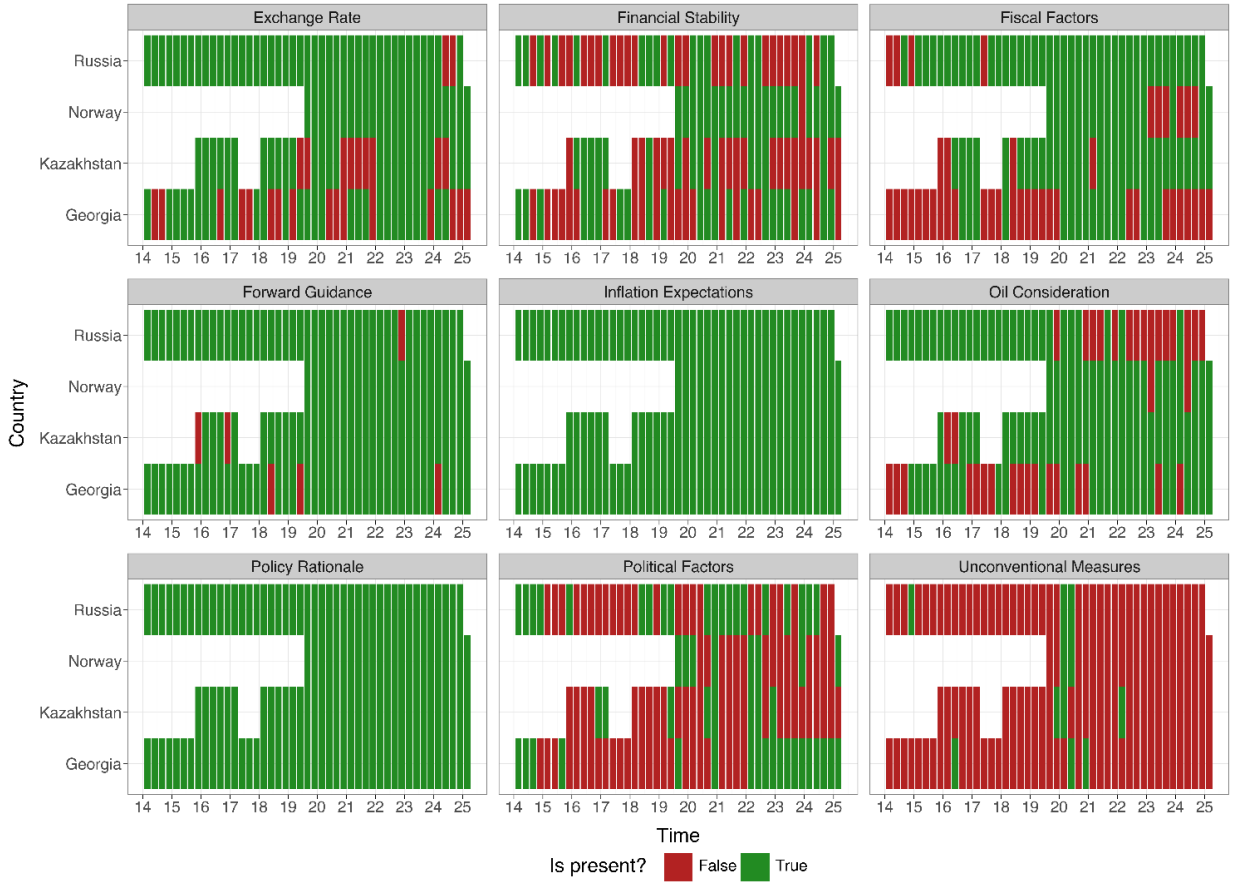


Source: NBK and IMF mission calculations.

Note: The structure rigidity score compares the decision's structure, semantic organization, and depth of discussion on the economic rationale of two consecutive monetary policy decisions using LLM reasoning. The score ranges from 0 (totally different structure) to 100 percent (the same structure).

23. Kazakhstan's monetary policy decisions consistently incorporate forward guidance and inflation expectations, reflecting the central bank's commitment to signaling future policy intentions and anchoring inflation expectations (Figure 10). Additionally, themes related to the exchange rate, fiscal factors, and oil price considerations are frequently present, aligning with Kazakhstan's status as a commodity-exporting economy where fiscal policy and external conditions play a crucial role in macroeconomic stability. Financial stability issues are absent from most decisions. Compared to peer countries, Kazakhstan's approach appears structured around core macroeconomic variables, while themes like political factors and unconventional measures receive little attention. This pattern highlights the central bank's focus on conventional monetary policy tools and macroeconomic fundamentals in its communication strategy.

Figure 10. Key Policy Themes in Monetary Policy Decisions

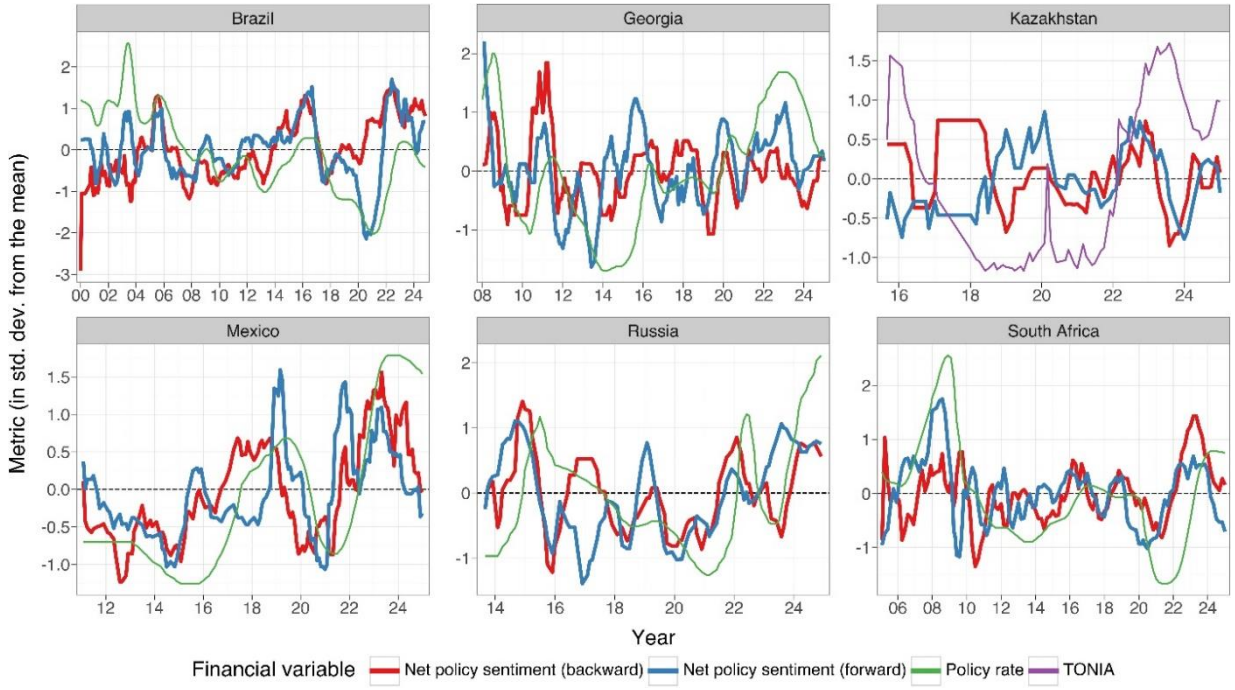


Source: NBK and IMF mission calculations.

Note: LLMs extract the presence or absence of key policy themes for each available monetary policy decision using prompts and structured outputs.

24. Kazakhstan's communication signals—measured by the net policy sentiment in monetary policy decisions—align with its operational policy target, TONIA, indicating a strong connection between the central bank's messaging and its actual policy stance (Figure 11). This relationship is particularly evident when decomposing net policy sentiment into its backward- and forward-looking components. Policy rates and TONIA correlate most strongly with the forward-looking part of net policy sentiment. The forward-looking component of net policy sentiment also embodies elements of forward guidance as a monetary policy tool.

Figure 11. Net Policy Sentiment and Interest Rates

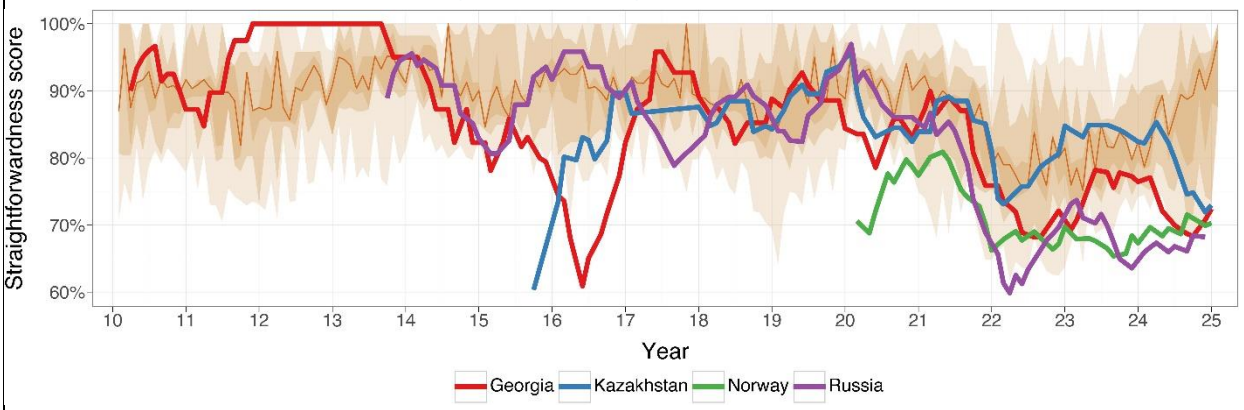


Source: NBK and IMF mission calculations.

Note: The red and blue thick lines show the backward- and forward-looking components of the net policy sentiment of Kazakhstan and emerging inflation-targeting economies evaluated from monetary policy decisions. Higher values indicate a prevalence of tightening communication signals (hawkish), while lower values indicate the dominance of easing communication signals (dovish). The data frequency follows the monetary policy decision's publications. The green and purple lines represent monthly annualized policy rates and TONIA, Kazakhstan's monetary policy operational target. Policy rates come from the IMF IFS dataset, while TONIA is extracted from the NBK website. The policy rate is unavailable for Kazakhstan in the IMF IFS dataset. All metrics are standardized by country for sensible cross-country comparison—a value of -1 means the metric is one standard deviation below the country's historical average.

25. Kazakhstan's straightforwardness index has shown a downward trend over time, yet it remains relatively higher than in other countries analyzed (Figure 12). Periods of heightened economic uncertainty and risk-highlighting tend to coincide with declines in the straightforwardness index, reflecting a shift toward more complex communication that explores multiple policy contingencies rather than a single, clear-cut stance. This suggests that NBK adopts a more nuanced communication during adverse periods, balancing transparency with the need to address uncertainty through broader discussions of alternative policy paths. This pattern is observed across other economies, indicating that central banks generally adjust their communication strategies in response to elevated risks. Despite this trend, Kazakhstan's communication remains more straightforward than its peers, including Norway, another oil-exporting economy with a consistently lower index.

Figure 12. Straightforwardness Index

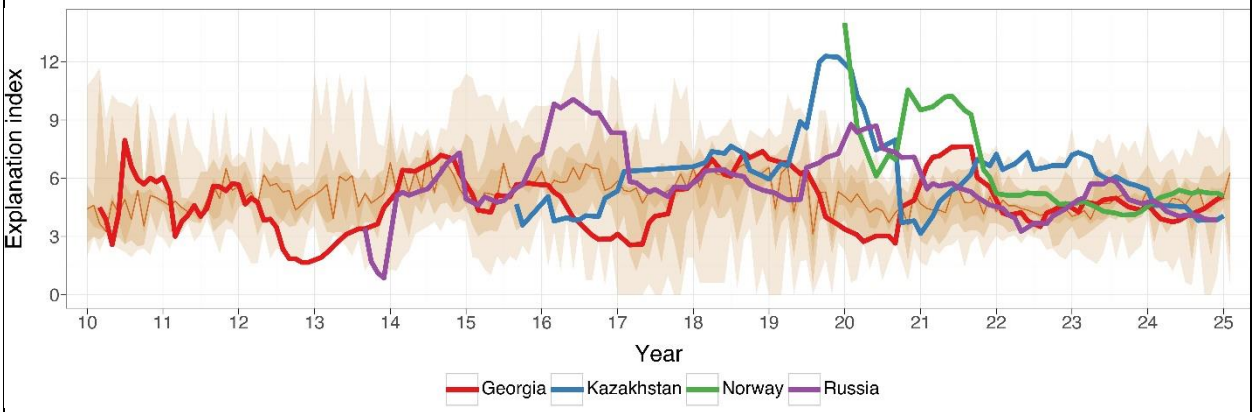


Source: NBK and IMF mission calculations.

Note: The lines show the straightforwardness index for Kazakhstan, Georgia, Norway, and Russia. Browish colors represent percentiles of the straightforwardness index distribution composed of inflation-targeting and emerging economies. Percentiles 10, 25, 40, 50, 60, 75, and 90 percent are shown.

26. Kazakhstan has historically devoted more sentences to explain the monetary policy decisions than the median emerging inflation-targeting economy, but to a lesser extent recently (Figure 13). Kazakhstan's explanation index has declined since 2023, indicating a shift toward more concise communication, potentially aiming for greater clarity and efficiency in its statements. Nevertheless, a lower explanation index can also indicate less contextualization of policy decisions, which might reduce the ability of markets and stakeholders to grasp the rationale behind monetary policy adjustments fully.

Figure 13. Explanation Index



Source: NBK and IMF mission calculations.

Note: The lines show the straightforwardness index for Kazakhstan, Georgia, Norway, and Russia. Browish colors represent percentiles of the straightforwardness index distribution composed of inflation-targeting and emerging economies. Percentiles 10, 25, 40, 50, 60, 75, and 90 percent are shown.