International Monetary Fund

Kyrgyz Republic and the IMF

Press Release:

IMF Executive Board Completes the First Review Under the Extended Credit Facility Arrangement for the Kyrgyz Republic and Approves US$13.2 Million Disbursement

December 7, 2015

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Kyrgyz Republic: Letter of Intent and Technical Memorandum of Understanding

November 18, 2015

The following item is a Letter of Intent of the government of Kyrgyz Republic, which describes the policies that Kyrgyz Republic intends to implement in the context of its request for financial support from the IMF. The document, which is the property of Kyrgyz Republic, is being made available on the IMF website by agreement with the member as a service to users of the IMF website.

Letter of Intent

November 18, 2015

Ms. Christine Lagarde
Managing Director
International Monetary Fund
700 19th Street, N.W.
Washington, D.C., 20431
USA

Dear Madame Lagarde:

We continue to make progress on a comprehensive economic and financial reform program, supported by an arrangement under the Extended Credit Facility (ECF) approved by the IMF Executive Board on April 8, 2015. We are grateful to the IMF for its continued support.

The turbulent regional context is taking a toll on our economy. In particular, the economic decline in Russia has slashed remittances, a key source of foreign exchange and driver of domestic demand. The knock on effect on our currency from the depreciations of the Russian, Kazakh and most recently Chinese currencies elevates the risks to the financial sector and the sustainability of public debt. Growth remains modest due to decrease in gold production despite relatively good results in the rest of the economy. The central bank's tight monetary policy, together with low food and fuel prices, has kept inflation in check mitigating the effects of currency depreciation.

We remain committed to the policies and objectives supported by the ECF arrangement. Our actions ensured that all end-June 2015 quantitative performance criteria and all indicative targets were met. All but two structural benchmarks were met. The draft law for strengthening of the VAT by reducing the number of exemptions and gradually phasing of the sales tax was submitted in August instead of June. Due to protracted inter-agency deliberations, the audit of DEBRA was not finalized in October 2015. Notwithstanding the setbacks in passing the Banking Code, we remain committed to work with Parliament to enact it and have it published in the Official Gazette ("Erkin-Too") by end-September 2016.

In view of the progress made and our continued commitment to the program, as well as the recently completed safeguards assessment of the NBKR, we request completion of the first review and disbursement in the amount of SDR 9.514 million (US$13.17 million). We ask that the disbursements under the ECF arrangement be channeled to the budget.

We believe that the economic and financial policies set forth in our Letter of Intent (LOI) and Memorandum of Economic and Financial Policies (MEFP) dated March 24, 2015 supplemented by this LOI remain adequate to meet the program's objectives.

We will continue to maintain a policy dialogue and consult with the IMF, at our own initiative or whenever the Managing Director of the IMF requests such a consultation, in advance of revisions to the policies contained in our LOI, in accordance with the IMF's policies on such consultations. We will provide IMF staff with data and information necessary for monitoring program implementation in accordance with this Letter of Intent.

As in the past, the government of the Kyrgyz Republic agrees to the publication of this letter, the Technical Memorandum of Understanding (TMU), as well as of the Article IV Staff Report related to the first review under the ECF arrangement and the Debt Sustainability Analysis.

Recent economic developments

1. **Over the past months, our economy was buffeted by a wave of external shocks, including falling gold prices, falling remittances due to the economic slowdown in Russia, turbulence in regional currency markets, and uncertainty surrounding EEU accession.** Nonetheless, the economy grew at a solid 6.3 percent during the first nine months of 2015 fueled by a bumper agricultural season and solid performance in all but textile and power sectors.

2. **Twelve-month inflation slowed down during the first nine months of 2015 to 6.4 percent due mainly to low food prices.** The benefits from lower fuel import prices were partially offset by depreciation of the som against the U.S. dollar.

3. **The overall fiscal deficit reached 0.6 percent of GDP by end of June.** Revenues at 16.7 percent of GDP were better than expected, mainly due to the sale of the Geroi mining license and NBKR dividends, representing, respectively, 1.4 and 1.2 percentage points of GDP. Government expenditures were contained at 16.1 percent of GDP, mainly due to underspending on goods and services and delays in project implementation. The current account deficit narrowed over the first six months amid falling trade activity. Nongold exports and imports dropped by 26 percent and 17 percent year-on-year, respectively. Remittances fell by 28 percent year-on-year over the first nine months of 2015. While debt is expected to remain at moderate risk of distress, the som depreciation and the sharp drop in remittances is pushing the debt level closer to the threshold of high risk of distress.

4. **NBKR intervened in the foreign exchange market in order to smooth out currency fluctuations and counter speculative pressures.** By end of September net sales were US$171 million. As a result the som depreciated by 16.9 percent over the same period. These interventions have also led to further monetary tightening, with base money shrinking by 4.3 percent (year-on-year) over the first nine months of this year.

5. **Credit growth is slowing down, and as of end of September grew by 27.0 percent year-on-year.** This includes loans provided by microfinance agency FINCA which obtained a banking license earlier this year. Controlling for exchange rate depreciation credit grew by 12.3 percent over the same period. Exchange rate volatility resulted in increase of deposit dollarization to 68.3 and decrease in loan dollarization to 55.2 percent by end of September. NPLs

rose to 6.0 percent of total loans by the end of September, or 9.6 percent when extended loans are included.

Outlook and risks

6. **Growth will slow in 2015 due mainly to falling gold production and the impact of external shocks.** We expect growth to pick up to an average of around 4 percent in the coming years as the Russian and Kazakh economies bottom out and the benefits from membership in the EEU begin to materialize. The PIP program and projects initiated under the Russia-Kyrgyz Development Fund (RKDF) should contribute to stabilizing growth at about 5 percent in the medium term.

7. **We expect inflation to exceed 7 percent by the end of the year, driven by the som depreciation, seasonal uptick in public spending and the impact of higher EEU import tariffs.** Over the medium term, inflation is expected to remain within the 5–7 percent range announced by the NBKR.

8. **We expect the overall fiscal deficit to reach 3.7 percent of GDP by the end of the year.** Compared to last year, tax revenues are expected to decrease by 0.8 percentage points of GDP, due to the delay in EEU accession, while current expenditures will increase by 1.1 percentage points of GDP, due to unbudgeted spending commitments. Over the medium term, the fiscal deficit will gradually decline due to fiscal consolidation and the phasing out of current PIPs.

9. **The current account deficit will reach 16 percent of GDP on account of weak external demand, falling remittances and fall in U.S. dollar value of GDP.** Access to the larger EEU market, fiscal consolidation and phasing out of PIPs will enable us to gradually reduce external imbalances.

10. **We are mindful of the risks to our outlook.** Key downside risks include, lower gold output and prices, adverse economic development in our major trading partners, protracted discussions with Centerra on Kumtor, unfavorable external debt dynamics and vulnerable financial system due to high dollarization and exchange rate volatility.

The government's policies for the remainder of the year and 2016

To keep the program on track, we will implement the necessary policies to ensure that the program's objectives are achieved. In this context, we will carry out the necessary measures to prevent budgetary slippages. We remain committed to reducing inflation and maintaining a flexible exchange rate that would allow us to preserve the NBKR's reserves. We will do our best to have the draft banking law adopted by the new parliament in a form substantially similar to the draft submitted to Parliament in September 2013. We will select an auditor for DEBRA in November 2015 and we will make sure that the audit is finalized by the first quarter of 2016.

Fiscal policy

11. Despite a challenging year, including adverse regional and domestic environment, we are committed to ensure that the end of year fiscal deficit is in line with the program target. Our second supplementary budget targets an overall deficit of 3.7 percent of GDP. However, we expect that through frugal budget execution, we will bring the deficit down to 3.5 percent of GDP. In order to meet our 2015 program commitments, we will streamline expenditures as needed and refrain from new recurring spending commitments unless these are financed by new permanent revenue measures. We also remain committed to keeping the teachers' salary increase, which came into effect in September at an estimated cost of som 2.2 billion, budget neutral.

12. We are preparing our 2016 budget in line with program targets. As per our commitment, we will resume fiscal consolidation to maintain public debt at a sustainable level, which will require us to focus on revenue enhancement and expenditure streamlining. To this end, while the overall balance will deteriorate due to the postponement of some PIP projects from 2015 to 2016, nonetheless, we will target an operating surplus of 5.9 percent of GDP. To meet this target, we will undertake a fiscal effort of at least 1.6 percentage points of GDP excluding expected EEU customs revenues which we aim to save to gradually rebuild thin fiscal buffers. In addition, to ensure that the increase in teacher's salaries stay neutral, we will improve the mechanisms of accruing and paying certain types of nontax payments, in particular payments for rent of state property, payments related to development of various mineral fields, and payments for entrance by foreign countries vehicles.

13. In order to ensure that the budget deficit target of 4.5 percent of the GDP is met, we are committed to implementing the following measures:

- Strengthening the administration of the VAT with a view to reducing tax evasion towards broadening the tax base and streamlining exemptions;
- Raising excise tax rates on alcohol and tobacco products as part of the process of their harmonization with the EEU rates;
- Refraining from extending expiring exemptions or granting new ones;
- Introducing similar stamps for domestically produced goods for control and accounting purposes aimed at preventing counterfeit production, in order to harmonize the regulations regarding the movement of goods within the EEU; and
- Adding luxury tax components to the property tax by applying higher rates or step-up coefficients.

14. The following expenditures measure will be carried out to meet the deficit target:

- Reducing the wage bill by, among others, rationalizing support staff, and refraining from ad hoc wage increases. We will also identify additional measures that would ensure that the teachers' salary increase is budget neutral. Additionally, in the context of the review of wage bill, we will set up an action plan, in view of the findings of the forthcoming FAD TA mission, to decrease the wage bill to about 8 percent of GDP over the medium term (structural benchmark, May 2016);

- Maintaining spending on goods and services constant in nominal terms and refraining from any ad hoc measures.

- Reducing the subsidies and transfers budget line to about 3 percent of GDP. To this end we will conduct a review of subsidies and draw-up an action plan to reduce them (structural benchmark, June 2016).

- Continue to improve the targeting of social benefits and avoiding their duplication.

- Keeping domestically financed capital spending around 3 percent of GDP.

15. We are determined to strengthen tax collection. Following accession to the EEU, VAT and excise collections for imported goods shifted from customs services to the state tax services (STS). In addition, the National Statistics Committee functions of state registration of individual entrepreneurs will be transferred to the STS. The STS will conduct a pilot testing of collecting social contributions for two districts in 2016 (instead of being collected by the social fund). If the results are positive, the STS will take over the overall collection of the social contributions. In order to avoid negative impact on tax collection, we will ensure proper staffing of the STS by transferring staff from other agencies while keeping the total volume of public sector employees unchanged.

16. We are committed to maintain debt at sustainable level. The recent depreciation of the som has exacerbated our debt vulnerability bringing us to the borderline of high risk of debt distress. We are committed to maintain public external debt to sustainable level over the medium term. In the period ahead, we will be particularly cautious with our borrowing plans. To that effect, we will introduce an action plan to improve the quality and efficiency of the public investment process in view of the findings of the forthcoming Public Investment Management Assessment mission (structural benchmark, April 2016). Additionally, we will: (i) revise the Medium Term Debt Strategy in line with the outcome of the new DSA (structural benchmark, July 2016); (ii) continue to fully disclose borrowing plans and commitments; (iii) improve debt monitoring, to minimize fiscal risk stemming from SOEs; and (iv) refrain from nonconcessional borrowing. In light of the Fund's new debt limit policy, we will adhere to the quantitative performance criteria (QPCs) on the present value (PV) of new external debt contracted. In addition given out debt vulnerability we request an indicative target (IT) of zero nonconcessional borrowing. In preparation for the heating season and as an exception in light of adverse weather condition, one of our SOEs, JSC "Electric Stations" will borrow a non-concessional US$30 million loan from the Eurasian Development Bank to pay for fuel and service liabilities.

Monetary and exchange rate policy

17. We will focus on containing inflation within our target range of 5 to 7 percent in the medium term, while preserving financial system stability. We will maintain the policy rate positive in real terms and adjust its level in line with emerging inflationary and exchange rate pressures. We will continue to employ all available instruments, while balancing it against the trade-off of the financial sector health. Moreover, the NBKR and the ministry of finance will continue our close coordination to facilitate liquidity management.

18. We will concentrate our efforts on enhancing the transmission mechanism and promoting the interbank market. To strengthen the interest rate channel, we will aim to narrow the corridor around the policy rate and make it symmetric. At the same time, we will also undertake measures to deepen the interbank market by: (i) maintaining liquidity at a level that provides incentive for interbank trading; (ii) allowing NBKR notes to be used as collateral in the interbank market; and (iii) further improving NBKR's communication about the monetary policy stance.

19. We will continue to pursue a flexible exchange rate policy in order to reduce external imbalances and safeguard foreign exchange reserves. We carry out interventions in the foreign exchange market only to smooth excessive fluctuations. In this context we will carefully monitor the tightening effect of our foreign exchange interventions to avoid stifling credit activity and harm growth. We will also work to further reduce speculative pressures on the exchange rate by enhancing our communication, strengthening regulation of exchange bureaus and eliminating unlicensed banking operations and foreign exchange activity. Parliament rejected amendments to the code on administrative responsibility increasing penalties for unlicensed banking operations including foreign exchange activity. We will resubmit these amendments to the new parliament (structural benchmark, February 2016).

Financial sector

20. The Government and NBKR remain committed to make every effort to enact the Banking Law in a form substantially similar to the draft submitted to parliament in September 2013. In June 2015, parliament passed the first reading of the Banking Code but downgraded it to a law. However, the second and third readings were not completed due to the lack of quorum in the run-up to the October elections. The government and the NBKR will work with the new parliament to ensure the enactment and publication in the Official Gazette ("Erkin-Too) of the draft banking law and the supporting law on "enacting the banking law" (structural benchmark, September 2016). Should the new parliament chose to restart the process, we will resubmit the code in line with the September 2013 draft. We understand that progress in that area would be necessary to move forward with the program and will inform IMF staff on any proposed amendments.

21. We will make every effort that the new banking legislation is consistent with international best practice and meets the following criteria: (i) can only be superseded by the Constitution or Constitutional Laws which may require reviewing all existing codes, identifying the ones that need to be amended and passing the relevant amendments; (ii) preserves the autonomy of the NBKR; (iii) improves the framework for early intervention and resolution of problem banks; (iv) enhances legal protection for the NBKR staff; (v) limits the scope of judicial review for decisions taken by the NBKR with respect to license revocation and bank resolution; (vi) establishes the NBKR as the sole authority to hold and manage official foreign reserves; (vii) extends the term of engagement of the NBKR external auditors; and (viii) strengthens the internal oversight of the NBKR.

22. We will continue our efforts to preserve financial sector stability and reduce dollarization, relying exclusively on market-based measures. We are analyzing the impact of the macro-prudential measures introduced in May 2015 with a view to fine-tuning them as necessary. We have set higher reserve requirements on foreign exchange deposits. In addition, we will consider and if deemed necessary introduce regulation to restrict foreign exchange lending to borrowers with less than 50 percent of their income in foreign currency. At the same time, we are: (i) continuing to strengthen banking sector supervision by developing a strategic plan to build supervisory capacity and to provide for a robust supervisory program, including risk based supervision; (ii) conducting crisis simulation exercise by March 2016 and developing crises preparedness framework together with Ministry of Finance and Deposit Protection Agency (structural benchmark, September 2016); (iii) enhancing the model for macro-financial stress testing; and (iv) closely monitoring banks, particularly those with large exposure to trade, construction, mortgage, and consumer loans. Moreover, to avoid destabilizing the banking sector we will rely exclusively on market based measures.

23. We will facilitate the sharing of credit information. In this context, we will give our best efforts to adopt supporting amendments to other laws to enact the Law on Credit Information Sharing. We will ensure that state registration service and state tax service exchange information with credit bureau, as this will provide the complete and best information to credit issuers.

24. We will accelerate efforts to resolve all problem banks to enhance confidence in the banking system. Given the divergence of views between different government agencies we were not able to finalize the DEBRA audit on time. However, we remain fully committed to completing this audit including all banks under DEBRA's management with a goal of liquidating them and winding down DEBRA's assets. Following the successful launch of the audit tender we will select an auditor in November 2015 (prior action) and aim to finalize the audit during the first quarter of 2016 (structural benchmark, March 2016).

25. We are committed to strengthening and implementing an AML/CFT regime in line with international standards. While the outgoing Parliament rejected the previous draft of the AML/CFT law, we will submit a new draft AML/CFT law that reflects all the recommendations provided by the Fund to the new Parliament (structural benchmark, April 2016). Timely action through the submission, adoption and entry into force of the law should contribute to a positive assessment of the national AML/CFT system Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG) in October 2016.

26. The Russia Kyrgyz Development Fund (RKDF) commenced operations as an international organization. Two loans totaling som 1.2 billion were granted to two state owned banks—Aiyl and RSK for on-lending. We expect the fund's activities to provide a boost to the economy, particularly at this critical juncture. Through our representatives at the Board of the Fund, we will ensure that RKDF will continue to follow international best practice for development banks and institutions and carries out its activities without causing market distortions. We will continue to maintain a level playing field among the various agents operating the financial-investment space. We will make sure that neither the government, nor the NBKR are liable for obligations (including guarantees) of the RKDF, and vice versa.

Institutional and structural reforms to ensure board based growth

27. We recognize the need to further improve the business environment, a key pillar of sustainable and inclusive growth. Improving business and investment climate is essential if we are to realize the full benefits from EEU membership. In this context we will redouble our effort to address weaknesses identified by among others the World Bank Doing Business report by: (i) removing obstacles to starting a business by streamlining the licensing process; (ii) streamlining tax and other inspection regimes; and (iii) streamlining property registration and establishing a unified and transparent procedure for access to utilities including the power grid. We will undertake a review of the tax regime aimed at ensuring simplicity, fairness and equal treatment of all tax payers, a precondition for reducing the shadow economy. We will put all our efforts toward a constructive resolution of the dispute with Centerra to ensure that it does not lead to disruptions in gold production. A stable and predictable investment climate with proper contract enforcement, strong property rights, less red tape and corruption are essential for attracting investment and spurring private sector-led growth.

28. We will continue our effort to reform the energy sector with the aim of improving service delivery and putting it on sound economic footing. In this context, we are: (i) reviewing the regulatory framework to clarify roles and responsibilities; (ii) enhancing policy planning and management and establishing a national power clearance center to improve coordination among the various actors; (iii) working to improve internal controls, introducing management information systems (MIS) at power companies, and rolling out smart power meters; (iv) reviewing the methodology for setting power tariffs to ensure economic soundness, and implementing the plan for increasing tariffs (structural benchmark, August 2016) and developing targeting social protections; and (v) continuing reforms in the power sector and improving conditions for private sector investment.

29. PFM Reforms will remain our top priority. We continue to press ahead with PFM reforms and will shortly agree to a new Multi Donor Trust Fund arrangement. The integration of the automated national treasury system with the interbank payments system, which is a requirement for the Treasury Single Account (TSA) system, is being tested and became operational as of October 1, 2015 for customs receipts. The implementation of the TSA for all transactions would speed up the launching of the new Financial Management Information System (FMIS). To that effect, a Memorandum of Co-operation with TIKA, the Turkish Cooperation and Coordination Agency to finance the new FMIS will be signed in the second quarter of 2016 (structural benchmark, June 2016). We will work to develop a methodological framework for budgetary risks, with the help of the IMF TA. We remain committed to extend treasury coverage to the Social Fund with the implementation of the FMIS and to make every effort to ensure the enactment by Parliament of a budget code that is consistent with IMF and World Bank advice.

30. We are committed to pursue trade liberalization to enhance efficiency and strengthen growth prospects. The country officially became a member of the Eurasian Economic Union (EEU) in August 2015. We remain committed to implementing the EEU commitments for promoting trade with regional countries. Also, our government will continue to pursue greater regional economic and social integration, and advocate for further steps to open up the country with a view to enhancing competition and efficiency.

Program monitoring

31. The ECF-supported program will continue to be monitored through prior actions, quantitative performance criteria, continuous performance criteria, indicative targets, and structural benchmarks. Prior actions and structural benchmarks are set out in Table 1. Quantitative performance criteria (QPC) for December 2015 and June 2016 and indicative targets (IT) for December 2015, March, June and September 2016 and continuous performance criteria are set out in Table 2. Program reviews will continue to be conducted semi-annually, based on end-June and end-December test dates. The second review is expected to be completed before June 30, 2016 based on continuous and end-December 2015 QPC. The third review is expected to be completed before December 31, 2016 based on continuous and end-June 2016 QPC. The fourth review is expected to be completed before June 30, 2017 based on continuous and end-December 2016 QPC. The understandings between the Kyrgyz authorities and IMF staff regarding the quantitative performance criteria and structural benchmarks described in this LOI and reporting requirements are further specified in the attached Technical Memorandum of Understanding (TMU).

32. In line with the recommendations of the IMF safeguards assessment of the NBKR, we are taking the necessary measures to improve the NBKR's governance arrangements, audit mechanisms, and internal controls. Once adopted, the banking law will enable us to overcome key safeguards vulnerabilities by enhancing the institutional autonomy of the NBKR, independent oversight, and the external audit mechanism. In the interim, our future audit engagement letters will ensure that the audits are compliant with International Standards of Auditing, and the engagement partner meets with the audit committee to discuss the audit plan and findings. In addition, NIR and NDA data for each test date under the program will be confirmed by an internal (as of end-June) and external audit (as of end-December). The gold inventory will be physically counted, the value confirmed, and reconciled to the NIR data before the second review of the program.

/s/

Temir Sariev
Prime Minister of the Kyrgyz Republic

/s/

Adylbek Kasymaliev
Minister of Finance of the
Kyrgyz Republic

/s/

Tolkunbek Abdygulov
Chairman of the National Bank of the
Kyrgyz Republic

Table 1. Kyrgyz Republic: Prior Action and Structural Benchmarks Under the Extended Credit Facility

Measures	Timing	Status
Prior Action		
Appoint an auditor for the DEBRA audit		
Structural Benchmarks		
I. FISCAL POLICY		
Elaborate a MTDS including the following criteria: (i) restrict borrowing to projects which enhance growth and promote social developments (ii) maintain debt at sustainable levels, and (iii) ensure that borrowing is anchored in the medium-term fiscal framework and is consistent with macroeconomic stability.	End-April 2015	**Met.** The department of public debt of the MOF elaborated a MTDS, which was approved by the government decree #424 dated June 29, 2015 to improve debt management.
Undertake a review of the public investment framework in cooperation with development partners and line ministries to identify gaps and then define an action plan.	End-April, 2016	**Rescheduled.** An IMF TA mission will undertake a PIMA during the first half of 2016.
Submit to parliament a draft tax law on (i) strengthening the VAT by reducing the number of exemptions, (ii) gradually phasing out the sales tax; (iii) gradually limiting the use of the patent system; (iv) adopting a simplified recordkeeping and reporting requirements.	End-June, 2015	**Partially Met.** In August, the government submitted a draft law to parliament on strengthening the VAT by reducing the number of exemptions on processing food and agriculture products, and gradually phasing out the sales tax. Additionally, in June, the government issued a resolution to gradually limit the use of patent system from 125 to 110 activities and in May, a law was adopted to simplify recordkeeping and reporting requirements by switching the monthly reporting requirements to quarterly for small businesses.
Draw an action plan for the reform of public sector personnel and remuneration policy to reduce the wage bill as a share of GDP.	End-May, 2016	**Rescheduled.** An IMF TA mission will take place in the first half of 2016 to identify an action plan for the reform of the public sector employment/wage policy.
Revise the MDTS in light of the outcome of the new DSA.	End-July, 2016	**New**
Reorganize the institutional structure of the tax service reducing duplication of functions with respect to interregional tax service departments.	End-April, 2015	**Met.** The STS streamlined its structure by eliminating the 3 interregional offices, leaving operational the headquarters' office and the district offices.
Select a provider for integrating the automated national treasury system with the interbank payment system.	End-September, 2015	**Met.** The government selected the "Info Systema" company as a provider for integrating the automated national treasury system with the interbank payment system in July, 2015.
Conduct a review of subsidies and draw-up an action plan to reduce them.	End-June, 2016	**New**
Sign a Memorandum of Co-operation with TIKA, the Turkish Cooperation and Coordination Agency, to develop new Financial Management Information System.	End-June, 2016	**New**
Review the methodology for setting power tariffs to ensure economic soundness and adjust accordingly the roadmap for increasing tariffs.	End-June, 2016	**New**
II. FINANCIAL SECTOR		
Finalize the audit of DEBRA.	End-October, 2015	**Not met.**
Set higher reserve requirements for foreign exchange deposits than for domestic currency deposits.	End-October, 2015	**Met.** The reserve requirement for foreign currency deposits is 9.5 percent, while for som deposits is 8.5 percent.
Submit to parliament a draft amendment to the code for administrative responsibility increasing the penalty for unlicensed foreign exchange activity to som 50,000 for individuals, som 100,000 for corporate officers, and som 200,000 for legal entities.	End-May, 2015	**Met.** The NBKR submitted amendments to the code for administrative responsibility to parliament in May 2015.
Issue a decision to harmonize the standard minimum capital requirement by gradually raising banks' paid-in capital in three steps by 2017.	End-May, 2015	**Met.** The NBRK issued a decision to harmonize capital requirements on March 11, 2015 which became effective on March 26. 2015. All the banks have minimum capital above som 300 million as July 1, 2015. The minimum capital requirement will increase to som 400 million, as of July 1, 2016 and to som 600 as of July 1, 2017.
Resubmit to Parliament amendments to the code for administrative responsibility aimed at increasing penalties for unlicensed foreign exchange activity.	End-February, 2016	**New**
Submit a new draft AML/CFT law that reflects all the recommendations provided by the Fund as well as other donors to the new Parliament.	End-April, 2016	**New**
Finalize the DEBRA audit.	End-March, 2016	**New**
Enact and publish in the Official Gazette ("Erkin-Too") the banking law and the supporting law on "enactment of the banking law".	End-September 2016	**New**
Develop crisis preparedness framework (collaboration among the NBKR, MoF and Deposit Protection Agency).	End-September, 2016	**New**

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KYRGYZ REPUBLIC

Table 2. Kyrgyz Republic: Quantitative Performance Criteria and Indicative Targets Under the Extended Credit Facility, June 2015 – December 2016

	2015							2016			
	June				September	December		March	June	September	December
	QPC				IT	QPC		IT	QPC	IT	QPC
	Prog	Adj	Actual	Status	CR15/113	CR15/113	Revised				
Quantitative performance criteria 1/											
1. Floor on net international reserves of the NBKR (eop stock, in millions of U.S. dollars)	1,371	1,327	1,680	Met	1,349	1,325	1,103	948	930	894	791
2. Ceiling on net domestic assets of the NBKR (eop stock)	-10,127	-11,948	-25,505	Met	-10,583	-14,200	-24,195	-20,222	-23,670	-20,209	-8,852
3. Ceiling on cumulative overall deficit of the general government 2/	19,441	9,878	-2,690	Met	22,189	18,062	15,304	-12,134	-20,883	-22,201	-21,799
4 a. Ceiling on contracting or guaranteeing of new nonconcessional external debt by public sector (continuous, in millions of U.S. dollars) 3/	0	0	0	Met	0	0	na	na	na	na	na
4 b. Present Value of new external debt contracted or guranteed (in millions of US do	na	na	na		na	na	64.7	226.1	226.1	226.1	226.1
5. Ceiling on accumulation of new external payment arrears (continuous, in millions of U.S. dollars)	0	0	0	Met	0	0	0	0	0	0	0
Indicative Targets 1/											
1. Ceiling on reserve money	72,121	72,121	65,063	Met	70,313	65,279	69,145	68,256	68,256	69,541	74,620
2. Cumulative floor on state government tax collections 2/	36,821	36,821	37,955	Met	61,345	92,361	87,009	19,639	42,498	71,109	107,091
3. Floor on cumulative state government spending on targeted social assistance, Unified Monthly Benefit and Monthly Social Benefit programs 2/	2,161		2,161	Met	3,286	4,412	4,412	1189	2,377	3,615	4,853
4. Ceiling on contracting or guaranteeing of new nonconcessional external debt by public sector (continuous, in millions of U.S. dollars) 3/	na		na		na	na	30	0	0	0	0

Sources: Kyrgyz authorities and IMF staff estimates and projections.

1/ As defined in the TMU.

2/ Cumulative from the beginning of the year.

3/ External debt contracted or guaranteed with a grant element of less than 35 percent.

Attachment I. Technical Memorandum of Understanding

November 18, 2015

Introduction

This memorandum defines the quantitative performance criteria, indicative targets and adjustors, and establishes the content and frequency of the data to be provided to IMF staff for program monitoring related to the economic program supported by an arrangement under the Extended Credit Facility (ECF). The indicators presented in Table 2 of the Letter of Intent dated November 18, 2015 reflect the understandings on quantitative performance criteria reached between the authorities of the Kyrgyz Republic and staff of the IMF.

Quantitative Performance Criteria

A. Definitions and concepts

Test dates. Quantitative performance criteria are set semi-annually starting June 30, 2015 through December 31, 2018, and are to be met at the end of each period.

National Bank of the Kyrgyz Republic (NBKR). The NBKR is the central bank of the country and is responsible for the formulation and implementation of monetary policy, bank supervision, and the payment system. For the purpose of the program, the NBKR includes all its central and regional offices.

Public sector. For the purpose of the program, the public sector comprises the general government, the NBKR, the 10 largest nonfinancial public enterprises (enterprises and agencies in which the government owns more than 50 percent of the shares, but which are not consolidated in the budget, as listed in Table 1), and any other newly created public development institution. The state budget comprises central and local government budgets. The general government budget includes the State and Social Fund budgets.

Foreign-financed Public Investment Program (PIP) loans and grants. The foreign financed PIP is a program of investments in infrastructure and social sectors agreed by the general government of the Kyrgyz Republic and its donors (including but not limited to international financial organizations). The PIP is fully financed by related grants and loans.

Program loans and grants are loans and grants received by the general government for direct budget support from external donors and not related to PIP financing.

The stock of **external payment arrears** for program monitoring purposes is defined as the end-of-period amount of external debt service due and not paid within the grace period specified in the relevant debt contract, including contractual and late interest. For arrears to exist, a creditor must claim payment of amounts due and not paid. Amounts in dispute are not considered arrears. Arrears for which a clearance framework/rescheduling or restructuring has been agreed with the creditor are not considered arrears for program monitoring purposes. Program arrears would include any debt service due under such agreements that have not been paid.

Concessional and nonconcessional debt. Concessional debt is defined as debt with a grant element equivalent of 35 percent or more. The grant element of a debt is the difference between the present value (PV) of the debt and its nominal value, expressed as a percentage of the nominal value of the debt. The PV of debt at the time of its contracting is calculated by discounting the future stream of payments of debt service due on this debt. The discount rate used for this purpose is 5 percent. The debt refers also to commitments contracted or guaranteed and for which value has not been received. The calculation of concessionality will take into account all aspects of the loan agreement, including maturity, grace period, payment schedule, upfront commissions, and management fees. The calculation is performed by the authorities and verified by the IMF staff based on the data provided by the authorities.

Variable interest rate. For debts carrying a variable interest rate in the form of a benchmark interest rate plus a fixed spread, the PV of the debt would be calculated using a program reference rate plus the fixed spread (in basis points) specified in the debt contract. The program reference rate for the six-month USD LIBOR is 3.34 percent and will remain fixed for the duration of the program. The spread of six-month Euro LIBOR over six-month USD LIBOR is -250 basis points. The spread of six-month JPY LIBOR over six-month USD LIBOR is -300 basis points. The spread of six-month GBP LIBOR over six-month USD LIBOR is -100 basis points. For interest rates on currencies other than Euro, JPY, and GDP, the spread over six-month USD LIBOR is -200 basis points.[1] Where the variable rate is linked to a benchmark interest rate other than the six-month USD LIBOR, a spread reflecting the difference between the benchmark rate and the six-month USD LIBOR (rounded to the nearest 50 bps) will be added.

Valuation changes (program exchange rates). For program monitoring, U.S. dollar-denominated components of the NBKR's balance sheets will be valued at the program exchange rates. The program exchange rate of the KGS to the U.S. dollar is set as of February 17 of 2015 exchange rate of KGS 60.7523 = US$1. The corresponding cross exchange rates and program gold price for the duration of the program are provided in Table 2.

[1] The program reference rate and spreads are based on the "average projected rate" for the six-month USD LIBOR over the following 10 years from the [Fall 2014] World Economic Outlook (WEO).

B. Quantitative performance criteria

Floor on net international reserves of the NBKR in convertible currencies

Definitions

Net international reserves (NIR) of the NBKR. The floor on NIR will be calculated as the difference between total international reserve assets and total international reserve liabilities of the NBKR in convertible currencies. Total international reserve assets of the NBKR are defined as the NBKR holdings of monetary gold, holdings of SDRs, reserve position in the IMF, and any holdings of convertible foreign currencies in cash or with foreign banks, and debt instruments issued by nonresidents that are liquid. For program purposes, convertible foreign currencies refers only to:
US dollar, Euro, British Pound, Japanese Yen, Swiss Franc, Australian Dollar and Canadian Dollar. Accrued interest on deposits, loans, and debt securities are included in reserve assets and liabilities, correspondingly. Reserve assets pledged as collateral or otherwise encumbered, capital subscriptions in foreign financial institutions, deposits of resident financial institutions (commercial banks and deposits earmarked for the Russian-Kyrgyz Development Fund) in foreign currency and illiquid assets of the NBKR are excluded from NIR. Also excluded are net forward positions, defined as the difference between the face value of foreign-currency denominated the NBKR off-balance sheet claims on nonresidents and foreign currency obligations to both residents and nonresidents. Total international reserve liabilities of the NBKR in convertible currencies are defined as the sum of Kyrgyz Republic's outstanding liabilities to the IMF and other convertible currency liabilities to nonresidents with an original maturity of up to and including one year. NIR is not affected when foreign assets are received by the NBKR through foreign currency swaps with resident financial institutions. Total international reserves and NIR decline with the provision of foreign assets by the NBKR through foreign currency swaps with resident financial institutions[2]. For program monitoring purposes, total international reserve assets and liabilities will be valued at the program exchange rates as described in paragraph 9. Thus calculated, the stock of net international reserves in convertible currencies amounted to US$1,230 million on September 30, 2015.

Net foreign assets (NFA) of the NBKR. NFA consist of net international reserve assets plus other net foreign assets, including other net claims on CIS countries, reserve assets pledged as collateral or otherwise encumbered, capital subscriptions in foreign financial institutions, illiquid assets, and obligations of the NBKR on SDR allocation. For program monitoring purposes, other NFA will also be valued at program exchange rates.

[2] In case of a currency swap providing for receipt of foreign exchange by the NBKR and transfer of domestic currency to a resident financial institution, total international reserves increase, NIR remain unchanged, and net claims on domestic banks in soms increase. In case of a currency swap providing for transfer of foreign exchange by the NBKR and receipt of domestic currency from a resident financial institution, total international reserves and NIR decrease, and net claims by NBKR on domestic banks remain unchanged.

Adjustors

The floor on NIR will be adjusted upward/downward to the full extent of any excess/shortfall in program and other grants and program loans, as given in Table 3 and upward/downward to the full extent that amortization and interest payments of public external debt is less/more than the amortization and interest payments given in Table 3.

Ceiling on the net domestic assets of the NBKR

Definitions

Net domestic assets of the NBKR (NDA) are defined as reserve money of the NBKR (defined below), minus NFA as defined above. Items in foreign currencies will be valued at program exchange rates.

Thus defined, NDA consist of: (a) net claims to the general government from the NBKR; (b) net claims to other depositary corporations by the NBKR; (c) net claims on other financial corporations; and (d) all other net assets of the NBKR (other items net). Thus defined, the stock of NDA amounted to minus KGS 36,686 million on September 30, 2015.

Adjustors

The ceiling on NDA will be adjusted downward/upward to the full extent of any excess/shortfall in program and other grants and program loans, as given in Table 3 and downward/upward to the full extent that amortization and interest payments of public external debt is less/more than the amortization and interest payments given in Table 3.

Ceiling on the cumulative overall cash deficit of the general government

Definitions

The overall cash deficit of the general government will be measured from the financing side (below the line) as the net cash inflow from financing activities, defined as the net incurrence of liabilities minus the net acquisition of financial assets other than cash. These will be measured at current exchange rates and will be defined as the sum of:

- The change in the stock of net claims of the domestic banking system and nonfinancial institutions and households on the general government. The change in the stock of net claims of the domestic banking system on the general government is defined as the change in the stock of the banking system claims on the general government, less the change in the stock of all deposits of the general government with the banking system. The claims of the banking system on the general government include: bank loans to the general government; any securities issued by the general government and held by domestic banks and overdrafts on the current accounts of the general government with banks;

- The change in the stock of net claims of foreign governments, banking systems, and nonfinancial institutions and households on the general government;
- Net transactions in equity, i.e., any new sales net of purchases of shares;
- Net foreign loans disbursed to the general government for budgetary support; and
- Net foreign loans disbursed to the general government for PIP financing.

The quantitative performance criteria for the fiscal balance are calculated on the projected exchange rate. Reporting and adjustments, as defined above, will be made using current exchange rates.

Adjustors

The ceiling on the cumulative overall cash deficit of the general government will be adjusted downward to the full extent of any excess in program grants, as given in Table 3. The ceiling on the cumulative overall cash deficit of the general government will be adjusted downward to the full extent of any shortfall in program loans, as given in Table 3 and upward/downward to the full extent that PIP loans are more/less than PIP loans given in Table 3.

Ceiling on the PV of new external debt contracted, contracting or guaranteeing of new non concessional external debt, and accumulation of new external payment arrears by the public sector (continuous quantitative performance criteria).

Definitions

Debt. In connection with the contracting or guaranteeing of short-, medium-, and long-term external debt by any entity of the public sector, for program purposes, the definition of debt is set out in Executive Board Decision No. 6230–(79/140), as amended by Decision No. 15688–(14/107), point 9, adopted December 5, 2014, and reads as follows:

- For the purpose of this guideline, the term "debt" will be understood to mean a current, i.e., not contingent, liability, created under a contractual arrangement through the provision of value in the form of assets (including currency) or services, and which requires the obligor to make one or more payments in the form of assets (including currency) or services, at some future point(s) in time; these payments will discharge the principal and/or interest liabilities incurred under the contract. Debts can take a number of forms, the primary ones being as follows:

    I. Loans, i.e., advances of money to the obligor by the lender made on the basis of an undertaking that the obligor will repay the funds in the future (including deposits, bonds, debentures, commercial loans, and buyers' credits) and temporary exchanges of assets that are equivalent to fully collateralized loans under which the obligor is required to repay the funds, and usually pay interest, by repurchasing the collateral from the buyer in the future (such as repurchase agreements and official swap arrangements);

II. Suppliers' credits, i.e., contracts where the supplier permits the obligor to defer payments until sometime after the date on which the goods are delivered or services are provided; and

III. Leases, i.e., arrangements under which property is provided which the lessee has the right to use for one or more specified period(s) of time that are usually shorter than the total expected service life of the property, while the lessor retains the title to the property. For the purpose of the guideline, the debt is the present value (at the inception of the lease) of all lease payments expected to be made during the period of the agreement excluding those payments that cover the operation, repair or maintenance of the property.

- Under the definition of debt set out in point 9 (a) above, arrears, penalties, and judicially awarded damages arising from the failure to make payment under a contractual obligation that constitutes debt are debt. Failure to make payment on an obligation that is not considered debt under this definition (e.g., payment on delivery) will not give rise to debt.

For program purposes, external debt is defined based on the residency of the creditor.

External debt ceilings. A performance criterion (ceiling) applies to the present value (PV) of new external debt, contracted or guaranteed by the public sector with original maturities of one year or more. The ceiling applies to debt contracted or guaranteed for which value has not yet been received, including private debt for which official guarantees have been extended. The ceiling is subject to an adjustor defined below.

An adjustor of up to 5 percent of the external debt ceiling set in PV terms applies to this ceiling, in case deviations are prompted by a change in the financing terms (interest, maturity, grace period, payment schedule, upfront commissions, management fees) of a debt or debts. The adjustor cannot be applied when deviations are prompted by an increase in the nominal amount of total debt contracted or guaranteed.

A performance criterion apply to the contracting or guaranteeing by the public sector (as defined in section II. A., paragraph 4) of nonconcessional external debt, i.e., external debt with grant element of less than 35 percent (see section II. A., paragraph 7), except normal short-term import-related credits and the NBKR international reserve liabilities.

Exclusions from the external debt limits. Disbursements by the IMF are excluded from the ceilings on external debt. Also excluded from external debt ceilings is the contracting or guaranteeing of new external debt that constitutes a rescheduling or refinancing of existing external debt on the terms more favorable to the debtor.

Guarantees. For program purposes, the guarantee of a debt arises from any explicit legal obligation of the public sector to service a debt in the event of nonpayment by the debtor (involving payments in cash or in kind), or from any implicit legal or contractual obligation of the public sector to finance partially or in full a shortfall incurred by the debtor.

New external payments arrears. The ceiling on accumulation of new external payments arrears is a continuous quantitative performance criterion.

C. Indicative targets

Ceiling on reserve money

Reserve money is defined as the NBKR's national currency liabilities to the economy, which includes currency issued and liabilities to other depositary corporations.

Cumulative floor on state government tax collections

Tax collections in cash correspond to the line "Tax Receipts" in the Treasury Report and comprise the following categories: tax on income and profits; taxes on goods and services; specific taxes on services; turnover taxes; taxes on property; taxes on international trade; and other taxes. Tax collections include collections of tax arrears but exclude tax offsets.

Cumulative floor on state government spending on targeted social assistance

Targeted social assistance spending comprises state government spending on Unified Monthly Benefit (UMB) and Monthly Social Benefit (MSB) programs.

Reporting Requirements Under the Arrangement

The government and the NBKR will provide the IMF with the necessary economic and financial statistical data to monitor economic developments and the quantitative targets (see Table 4). In particular, the government and the NBKR will provide the following specific information.

D. Analytical balance sheet of the NBKR

The NBKR will provide to the IMF its analytical balance sheet on a daily basis. The information provided will clearly identify the following items in the definitions specified above: the net foreign assets of the NBKR; the net international reserves of the NBKR; total reserve assets and total reserve liabilities of the NBKR ; the net domestic assets of the NBKR; net credit from the NBKR to the general government, disaggregated by state government and special funds of the KR; net credit from the NBKR to other deposit corporations and other financial corporations (including Russian-Kyrgyz Development Fund); other items net; and reserve money. The balance sheet will be provided using both actual and program exchange rates. The above information will be provided to the IMF Resident Representative and/or transmitted by e-mail to the IMF.

E. Monetary survey

Monthly banking system data, in the form of monetary surveys of the banking sector and other depository corporations, will be reported to the IMF by the NBKR within 16 days of the end of the month. The information provided will clearly identify the following items: net foreign assets and net domestic assets of the banking system, net credit from the banking system to the general government disaggregated by the state government, the social fund and the KRDF, net claims to the rest of the economy, other items net, and broad money. The monetary survey will be provided using both program and actual exchange rates.

The NBKR will provide monthly data to the IMF within seven days after the end of the month on the amount of holdings of treasury bills, treasury bonds and other securities issued by the state government, differentiated by the following categories of holders: the NBKR; resident banks; resident nonbanks (including separately the social fund and deposit insurance fund); and nonresidents. The information will be provided in both the book (nominal) value and the actual value, where applicable.

F. International reserves and key financial indicators

The NBKR will provide monthly data within 20 days from the end of the month on its gross and net international reserves within the framework of reporting "International Reserves and Foreign Currency Liquidity" (IMF's SDDS). The report on foreign assets and liabilities by currency will be provided 20 days after the end of each quarter. These data will be provided at two alternative sets of the exchange rates and the gold price: first, at those used to derive the NFA position in the NBKR accounts; and second, at those specified in the program (see Section I). The NBKR will also provide data on net foreign financing flows, including disbursements of program loans and grants, amortization, interest payments on external debt, interest income on reserves, other direct foreign currency payments by the government and the NBKR. In addition, reports should be sent to the IMF on nominal exchange rates (including the official and interbank exchange rates), foreign exchange interbank market turnover, and the volume of the NBKR foreign exchange sales and purchases in the domestic interbank market and with other parties, on a daily basis. Reports on treasury bill yields and the amount of treasury bill sales and redemptions on a weekly basis every Monday. On the twenty-fifth day of the month following the reference month, the NBKR will provide indicators of financial soundness of the banking system, including the ratios of regulatory capital to risk-weighted assets, nonperforming loans to total loans, non-performing loans by sector and by currency, restructured and prolonged loans by sector and by currency, return on equity, liquidity, earning and profitability, loans and deposits ratios in domestic and foreign currency, foreign currency exposure and dollarization as well as data on bank deposits and loans by maturity and sector, and bank deposit and lending rates by maturity. On the twentieth day of the month following the reference quarter the NBKR will provide data on non-performing loans for micro-finance organizations and credit unions.

G. External debt

The ministry of finance, together with the NBKR, will provide monthly information on the disbursements, principal and interest payment—both actual and falling due—on contracting and guaranteeing of medium- and long-term external loans by the state government, nonfinancial public enterprises, and the NBKR; and any stock of outstanding arrears on external debt service payments within 21 days of the end of each month. In addition, the ministry of finance will report the total amount of outstanding government guarantees and external arrears on a monthly basis. While the NBKR will provide the debt service payment data on private debt, the ministry of finance will provide data on debt service on public and publicly guaranteed loans.

H. Budgetary and extra budgetary data

In addition to the monthly treasury report, the Social Fund will report monthly on its operations. This information will be provided to the Fund staff within 26 days from the end of each reference month. The ministry of finance will also provide monthly reports on the disbursements and use under the public investment program and budgetary grants with a one month time lag.

I. Balance of payments data

The NBKR will provide current account and capital account data, including data on foreign trade, services, official and private transfers, foreign investment, and disbursements of public and private loans, on a quarterly basis, with at most a three-month lag. The NBKR will also provide monthly foreign trade data with a two-month lag.

J. Other general economic information

The National Statistics Committee will notify the IMF of the monthly Consumer Price Index by category by the fifteenth business day of the following month, and convey monthly GDP estimates within 30 days of the end of each month.

Table 1. Ten Largest SOE's

(Included in the public sector)

	Name of SOE
1	JSC KyrgyzAltyn
2	JSC KyrgyzNefteGaz
3	JSC "Electrical Stations"
4	JSC "National Electrical Grid of Kyrgyzstan"
5	JSC "Manas International Airport"
6	JSC KyrgyzTelecom
7	JSC SeverElectro
8	SOE "National Company Kyrgyz Temir Jolu"
9	JSC KyrgyzGaz
10	JSC BishkekTeploset

Sources: Authorities data and IMF staff calculations.

Table 2. Program Cross Exchange Rates and Gold

Abbreviation	Currency Name	Currency/US$	US$/Currency
AUD	Australian Dollar	1.2926	0.7736
AMD	Armenian Dram	479.6865	0.0021
CAD	Canadian Dollar	1.2525	0.7984
CNY	Chinese Yuan	6.2477	0.1601
CNH	Chinese Yuan	6.2517	0.1600
JPY	Japanese Yen	119.0568	0.0084
KZT	Kazakh Tenge	185.0512	0.0054
KWT	Korean won	1,100.5851	0.0009
KWD	Kuwati dinar	3.3824	0.2956
KGS	Kyrgyz Som	60.7523	...
NOK	Norweigan Crown	7.6020	0.1315
RUB	Russian Ruble	62.6635	0.0160
SAR	Saudi Rial	4.6076	0.2170
SGD	Singapore Dollar	1.3585	0.7361
SEK	Swedish Crown	8.4426	0.1184
CHF	Swiss Franc	0.9293	1.0760
AED	UAE Dirham	3.6779	0.2719
GBP	UK Pound Sterling	0.6508	1.5366
SDR	SDR	0.7096	1.4092
XAG	Silver	0.0579	17.2700
BYR	Belarusian Ruble	15,318.2804	0.0001
EUR	Euro	0.8757	1.1420
XAU	Gold (US$/troy ounce)	1,229.2500	...

Sources: Authorities data and IMF staff calculations.

Table 3. Projected Budget Support, PIP, and Amortization

	2015	2016			
	December	March	June	September	December
Program grants	47.1	0.0	25.7	8.8	5.5
Program loans	38.1	0.0	15.5	13.2	13.8
Grants in-kind	32.3	28.8	28.8	28.8	28.8
PIP grants excl. grants in-kind	32.8	25.2	25.2	25.2	25.2
PIP grants incl. grants in-kind	65.1	53.9	53.9	53.9	53.9
Other grants	0.0	0.0	0.0	0.0	0.0
PIP loans	274.2	154.3	154.3	154.3	154.3
PIP loans, excl. onlending	176.7	21.9	21.9	21.9	21.9
Amortization of public external debt	18.6	34.3	34.3	34.3	34.3
Interest payments	12.2	13.1	13.1	13.1	13.1

Table 4. Reporting Requirements and Frequency Under the Arrangement

Reporting Agency	Data	Frequency	Timing
NBKR	Analytical balance sheet of NBKR at actual and program exchange rates	Daily	The following working day
NBKR	Monetary surveys of the banking sector and other depository corporations at actual and program exchange rates	Monthly	Within 16 days of the end of each month
NBKR	The amount of holdings of treasury bills, treasury bonds and other securities issued by the state government	Monthly	Within 7 days of the end of each month
NBKR	The gross and net international reserves Net foreign financing flows	Monthly	Within 20 days of the end of each month
NBKR	Reserve composition by currency and instrument	Quarterly	Within 10 days of the end of each quarter
NBKR	Nominal exchange rates Foreign exchange interbank market turnover Volume of NBKR foreign exchange sales and purchases in the domestic interbank market on a daily basis	Daily	The following working day
NBKR	Treasury bill yields and the amount of treasury bill sales and redemptions, and operations with other parties	weekly	Every Monday
NBKR	Balance sheet and income statement of banks (aggregated); data on capital assessment of the commercial banks and the data on the main factors of the loan portfolio's growth of the banking system and separately of the group of banks with a significant share of the Kazakh capital	Monthly	Within 25 days of the end of each month
NBKR	Balance sheet and income statement by individual bank and banking groups; sectoral distribution of loans and NPLs by currency and by bank; restructured and renewed loans; largest exposures by bank; loan classification by banks and by groups;	Monthly	Within 25 days of the end of each month
NBKR	Nonperforming loans for microfinancing organization and credit unions	Quarterly	Within 20 days of the end of each quarter
NBKR	Indicators of financial soundness of the banking system (capital adequacy, liquidity, asset quality, earning and profitability, loans and deposits ratios, foreign currency exposure and dollarization)	Monthly	Within 25 days of the end of each month
MOF	Revenues, expenses , net lending and on-lending of financial assets and liabilities of the central government	Monthly	Within 26 days of the end of each month
MOF NBKR	Disbursements, principal and interest payment (external debt) Contracting and guaranteeing of medium- and long-term external loans	Monthly	Within 21 days of the end of each month
MOF	Details (amount, currency, and financing terms) on new loans contracted on public external debt, including SOEs.	Quarterly	Within 25 days of the end of each quarter
Social Fund	Social Fund operations report	Monthly	Within 26 days of the end of each month
MOF	Disbursements and use under the public investment program, budgetary grants, and grants in kind.	Monthly	Within 30 days of the end of each month
NBKR	Current account and capital account data	Quarterly	Within 90 days of the end of each quarter
NBKR	Foreign trade data	Monthly	Within 60 days of the end of each month
NBKR	Remittances by country of origin and currency.	Monthly	Within 45 days of the end of each month
NSC	Consumer Price Index by category	Monthly	Within 15 days of the end of each month
NSC	GDP	Monthly	Within 30 days of the end of each month