

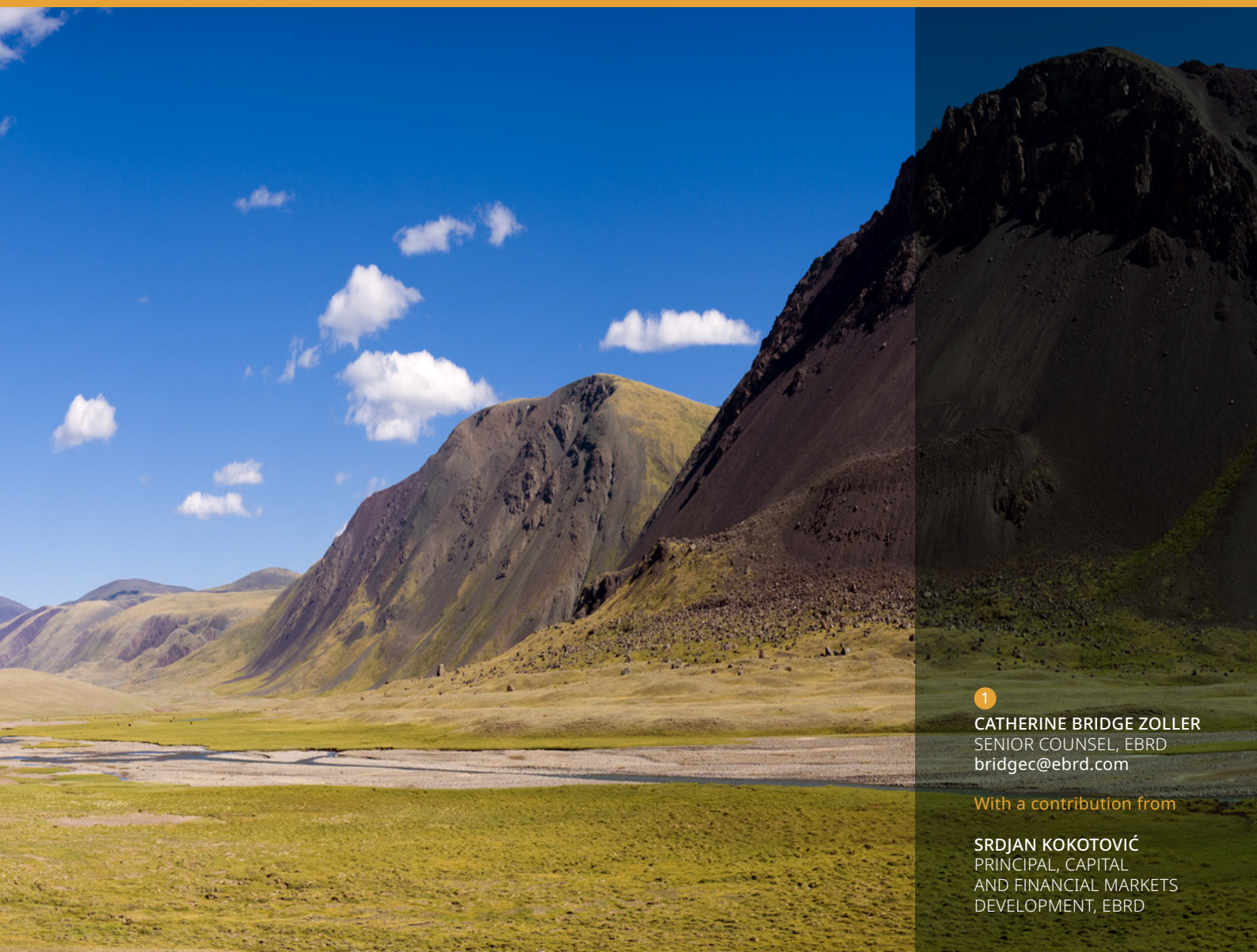
STRENGTHENING ECONOMIC GOVERNANCE IN KAZAKHSTAN THROUGH BANKING LAW REFORM



“ Clear and predictable rules on market entry, governance, supervision and resolution determine whether banks can operate as credible intermediaries. ”



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CATHERINE BRIDGE ZOLLER
SENIOR COUNSEL, EBRD
bridgec@ebrd.com

With a contribution from

SRDJAN KOKOTOVIĆ
PRINCIPAL, CAPITAL
AND FINANCIAL MARKETS
DEVELOPMENT, EBRD

This article examines the enactment of Kazakhstan's New Banking Law in March 2026 – a landmark reform in the modernisation of the country's financial sector and a critical step in strengthening its investment environment. Drawing on the EBRD's longstanding engagement in the country and the technical assistance provided to the Kazakh financial regulator, the article analyses the factors driving reform. It explains how the new legal framework introduces a differentiated licensing regime for smaller and universal banks, establishes a modernised bank recovery and resolution framework substantially aligned with international standards, and strengthens certain aspects of corporate governance, as well as regulating digital financial assets through an accompanying Omnibus Law. The article also discusses implementation challenges, the scale of secondary legislation and remaining reform priorities, highlighting the key role of strong legal institutions in supporting financial stability and international investment.¹

KAZAKHSTAN, BANKING AND INVESTMENT

Kazakhstan is the largest economy in central Asia and an important country for the EBRD in the region. Its size, natural resources and strategic location at the crossroads of Europe and Asia have made it a major destination for foreign investment – and EBRD engagement – since its independence in 1991. The EBRD has invested €11 billion in Kazakhstan since 1992 through more than 300 projects spanning energy and natural resources, transport and logistics, infrastructure and municipal services, agribusiness, manufacturing and the financial sector.² In May 2026 the Bank's portfolio in Kazakhstan stood at approximately €3.14 billion, with around 49 per cent invested in private-sector counterparties and the remainder in sovereign and state-owned entities.

Well-governed banks are essential intermediaries for EBRD investment and the mobilisation of private capital, as emphasised

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² For more details, see <https://www.ebrd.com/home/what-we-do/where-we-invest/kazakhstan.html>.



in the EBRD's country strategy for Kazakhstan, which identifies private-sector competitiveness, access to finance and sound economic governance as core priorities. Critically, however, achieving these objectives depends on the robustness of the banking law framework. Clear and predictable rules on market entry, governance, supervision and resolution (a special legal process through which public authorities restructure or wind down a failing bank in an orderly manner, with the aim of maintaining financial stability, preserving critical banking functions and avoiding taxpayer-funded bailouts) determine whether banks can operate as credible intermediaries.

Kazakhstan's new Law "On Banks and Banking Activities" (hereinafter, "the New Banking Law") was adopted by parliament in December 2025 and signed by President Kassym-Jomart Tokayev on 16 January 2026, entering into force (with the exception of certain provisions) on 19 March 2026. The New Banking Law was a deliberate effort to address longstanding structural gaps in the framework for managing bank failures. While International Monetary Fund (IMF) country reports had consistently recognised the progress Kazakhstan had made in strengthening banking supervision and undertaking significant clean-up measures after the global financial crisis of 2008-09, they also noted that the legal framework for managing bank failures remained below international standards, particularly with

regard to the orderly resolution of systemically important banks.³ Prior to this reform, weaknesses in Kazakhstan's banking legislation had contributed to the creation of a banking sector that was characterised by high levels of concentration, limited competition and a narrow pool of institutions meeting international governance and risk-management standards. This limited the number of banks that were able to act as effective partners for EBRD investment, constraining market development and the mobilisation of private-sector finance.

Thus, the case for reform was closely tied to Kazakhstan's broader economic governance and development agenda. In his State of the Nation address on 2 September 2024, President Tokayev called for the adoption of a new banking law capable of responding to "the current challenges of stimulating economic activity and [ensuring] further dynamic development of the fintech sector", noting explicitly that the existing banking legislation no longer reflected the realities of a modern, market-based economy.⁴ In subsequent addresses and public statements, he further emphasised the need to intensify competition in the banking sector, modernise financial legislation and create conditions conducive to corporate lending and the financing of large-scale economic projects.

³ See, for example, IMF (2024).

⁴ See President of the Republic of Kazakhstan (2024); see also Sakenova (2024).

STRUCTURAL WEAKNESSES IN THE BANKING SYSTEM AND THE DIAGNOSTIC PHASE

The EBRD supported the reform of Kazakhstan's banking law, which was led by the Agency for Regulation and Development of the Financial Market (hereinafter, "the Agency") and the National Bank of Kazakhstan, through a dedicated technical assistance programme launched in late 2024. The programme, which combined policy engagement, legal and financial analysis, and legislative drafting, was led by the EBRD's Legal Transition Programme in partnership with its Capital and Financial Markets Development and Financial Institutions teams. Dentons Kazakhstan was engaged as a national legal adviser. The team was also supported by Professor Marco Bodellini, whom the EBRD brought onboard to provide high-level guidance on bank resolution and governance, drawing on comparative European experience and international standards.

To ensure that the reform addressed market needs, the EBRD also commissioned a comprehensive market study, led by KPMG's Ukraine offices, which analysed the structure, performance and competitive dynamics of the Kazakh banking sector. The study considered the Agency's proposal for a two-tier licensing system for banks (as discussed below) and legal and regulatory bottlenecks affecting market

development, including digital banking. Together with separate work undertaken by consultancy firm Oliver Wyman – which the Agency engaged to focus on matters such as specialist regulatory regimes, Islamic finance and the supervision of conduct – this preparatory assessment work helped to identify gaps in the then existing banking law framework and informed subsequent drafting efforts.

The EBRD's market study highlighted the highly concentrated nature of the Kazakh banking system, in which two large banks accounted for more than half of total banking assets. Market entry was uncommon, with recent consolidation mainly due to regulations and legacy risks. Smaller banks faced persistent profitability challenges and struggled to compete. Consequently, one of the aims of Kazakhstan's banking-sector reform was the improvement of the banking system institutionally to encourage more competition and easier entry by new banking operators. A key finding in the study was the difficulty of implementing proportional bank regulation, which involves tailoring regulatory and supervisory measures to a bank's size, systemic significance, risk characteristics and business strategy. High statutory minimum capital thresholds and governance requirements imposed fixed compliance costs that were disproportionate for smaller institutions and potential entrants. As a result, regulatory barriers reinforced market concentration and limited competition, particularly in lending to small and medium-sized enterprises (SMEs) and regional lending.

The absence of proportional regulation also affected the effectiveness of supervision. The supervisory framework did not sufficiently differentiate between the application of supervisory and regulatory tools to systemic and non-systemic banks, leading to an inefficient allocation of supervisory resources and governance challenges. Smaller banks were subject to governance and reporting requirements that could sometimes exceed what was necessary to manage their risk profiles, while supervisory attention on larger, more complex institutions could, at times, become diluted.



Certain aspects of the banking sector's corporate governance framework and its implementation further compounded these issues. Comparative analysis demonstrated gaps between governance requirements for Kazakh banks and international standards as articulated by the Basel Committee on Banking Supervision, the primary global standard-setting body for the prudential regulation and supervision of banks and bank governance, as well as relevant prudential governance benchmarks and requirements in selected comparator jurisdictions (the European Union (EU), the United Kingdom, Switzerland and Italy).⁵

Importantly, the diagnostic work highlighted the fact that strengthening market functioning and governance was dependent on having a credible framework to manage bank failures. Without clear tools to address distress, supervisory incentives were inevitably blurred and early intervention was often delayed. Consequently, the IMF's recommendations to modernise Kazakhstan's bank resolution framework became a central reference point for the reform efforts.

PROPORTIONAL REGULATION AND LICENSING REFORM: INTRODUCING THE BASIC BANKING LICENCE

One of the most significant elements of the New Banking Law is the introduction of proportional regulation through differentiated banking licences for Kazakh banks. For the first time, Kazakh law now provides for a basic banking licence alongside the universal banking licence. Uniform licensing and capital requirements were identified as a major barrier to entry and competition, particularly for smaller and specialist institutions. Prior to the introduction of regulatory differentiation, new banks could only enter the market by assuming the full compliance burden, which was designed for large universal banks, rendering many potential business models economically unviable.

Under the new framework, banks operating under a basic licence may engage in a restricted range of banking activities, typically

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focused on core services such as deposit-taking and lending, and are subject to limits on asset size and risk exposure. In exchange, they benefit from materially lower minimum capital requirements. Universal banks remain subject to more stringent prudential and supervisory requirements, reflecting their greater risk profile and importance. These include higher capital buffers and more intense supervisory scrutiny. However, as regards corporate governance, the new Regulation 86 “On Approval of the Rules for Forming the Risk Management and Internal Control System for Banks and Branches of Non-Resident Banks of the Republic of Kazakhstan”⁶ (which replaces the previous Regulation 188) does not yet establish any material differences between banks with universal licences and banks holding basic licences in terms of governance requirements, as one would expect under a proportionate regulatory approach.

Nevertheless, by lowering barriers to entry, the law creates space for regional banks, digital banks, niche lenders and institutions focused on SME finance to emerge and compete. This is designed to improve access to finance, reduce concentration and foster innovation within the banking sector.

⁵ See BIS (2015).

⁶ Resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market No. 86 “On Approval of the Rules for Forming the Risk Management and Internal Control System for Banks and Branches of Non-Resident Banks of the Republic of Kazakhstan”, dated 28 April 2026. Available at: <https://adilet.zan.kz/rus/docs/V2600038586>.

On a separate note, the New Banking Law's legal recognition of Islamic banking windows (a dedicated business line within a conventional bank through which the bank offers Sharia-compliant financial products, while continuing to operate conventional interest-based activities elsewhere in the institution) further expands the range of permissible business models and confirms Kazakhstan's desire to establish itself as a regional financial hub.⁷

BANK RECOVERY AND RESOLUTION: ALIGNING INCENTIVES AND PROTECTING STABILITY

The centrepiece of the New Banking Law is the establishment of a comprehensive bank recovery and resolution framework that is substantially aligned with the Financial Stability Board's Key Attributes of Effective Resolution Regimes for Financial Institutions (hereinafter, "the Key Attributes"). Developed in the aftermath of the global financial crisis, the Key Attributes are the gold standard for public authorities when it comes to managing the failure of banks and other systemically important financial institutions.⁸

Previously, the Kazakh authorities lacked a modern, coherent and operational recovery and resolution regime, relying primarily on liquidation, temporary administration or discretionary state intervention. Now, however, the New Banking Law has established a framework consistent with modern banking legislation that empowers the Agency to intervene earlier, require recovery measures and, where appropriate, place a failing bank in a "resolution regime" – a special administrative procedure. This procedure is distinct from bank liquidation, which leads to the closure of the bank and the sale of its assets – activities which, in Kazakhstan, are performed under court supervision.

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In bank resolution, public authorities' primary objective is to preserve critical banking functions, such as taking deposits, arranging payments and providing access to credit, while allocating losses to shareholders and creditors rather than taxpayers. Unlike bank liquidation, resolution is extra-judicial and designed to be fast and decisive to prevent further market contagion. It allows the resolution authority to intervene once a bank has been categorised as "failing or likely to fail" – but before it becomes balance-sheet insolvent – if no private-sector solution is reasonably likely. Resolution frameworks typically equip authorities with a set of tools, including the transfer of assets and liabilities to a private purchaser or bridge bank, the write-down or conversion of capital and eligible liabilities (a "bail-in"), temporary moratoria, or changes to governance and management.

The New Banking Law provides a full suite of resolution tools. Importantly, however, this legislation does not fully deploy classic bail-in mechanics involving the statutory cancellation of shares and the write-down of equity without shareholder consent. This is due to legal restrictions contained in Kazakhstan's existing Law "On Joint Stock Companies" (hereinafter, "the JSC Law").⁹ The resolution objectives are instead achieved via

⁷ An Islamic window is not a separate legal entity; it operates within an existing conventional bank, but is subject to specific legal, governance and accounting safeguards.

⁸ See FSB (2024).

⁹ Kazakhstan Law No. 415 "On Joint Stock Companies", dated 13 May 2003. Available at: https://adilet.zan.kz/rus/docs/Z030000415_.

mechanisms such as the write-down or conversion of liabilities under the concept of “forced restructuring of liabilities of a bank under resolution”, an administrative resolution measure that does not require prior court approval, which could impede timely intervention.

The new framework now requires systemically important banks to meet total loss-absorbing capacity (TLAC) standards, creating a new category of subordinated or resolution-eligible instruments in which long-term institutional investors such as the EBRD can invest. TLAC standards aim to ensure that banks considered critical to the financial system hold sufficient capital and liabilities that can be written down or converted into equity during a crisis. This buffer supports an orderly resolution process without relying on public funds.

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Box 1.

Trends in bank recovery and resolution across EBRD economies of operation

In the EBRD’s non-EU economies of operation, the development of bank recovery and resolution frameworks broadly reflects countries’ strategic orientation and integration objectives. In the Western Balkans countries, as well as in Armenia, Georgia and Moldova, the ambition to join the European Union has been a powerful driver of reform. These countries have made substantial progress in aligning their legal and institutional frameworks with the EU’s crisis management, deposit insurance and bank resolution acquis, including BRRD II.* Reforms have focused on strengthening early intervention and resolution powers, recovery and resolution planning, bail-in tools and institutional coordination. Some jurisdictions have moved to transpose all of the EU framework. For instance, Montenegro, which is widely viewed as the most advanced EU accession candidate, has already incorporated most relevant EU regulations and directives into its domestic legislation.

By contrast, countries in central Asia, the southern and eastern Mediterranean and sub-Saharan Africa do not generally have the EU framework as a formal regulatory anchor, so they have followed more diverse reform paths. In these jurisdictions, recovery and resolution regimes are typically inspired by international standards (most

notably, the Financial Stability Board’s Key Attributes of Effective Resolution Regimes), or have been adapted based on the experiences of peer countries with similar financial-sector structures.

The EBRD’s support in this area has been correspondingly varied in terms of both geography and scope. In several cases, including that of Kazakhstan, the Bank has provided extensive assistance covering the full resolution process, from the drafting of secondary legislation to the operationalisation of resolution tools. Elsewhere, support has been more targeted, focusing on manuals, internal procedures and templates, as well as frameworks for cooperation with foreign resolution and crisis management authorities (including information-sharing and confidentiality arrangements), reflecting the cross-border nature of many banking operations. EBRD assistance has also extended to related financial safety net domains, particularly deposit guarantee schemes, covering issues such as optimal fund size, risk-based premium systems, and the interaction and synergies between guarantee funds and resolution-financing arrangements.

Srdjan Kokotović
Capital and Financial Markets Development, EBRD

* Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC.

For the first time, the New Banking Law clearly articulates the principle that the banking sector should itself contribute to the costs of managing bank failures. In particular, where the resolution of a systemically important bank involves the use of public resources, Article 100 of the New Banking Law provides for an ex post cost-sharing mechanism under which part of the loss incurred by the state may be recovered through mandatory contributions from Kazakh banks and branches of non-resident banks. This mechanism is carefully framed, both in scale and in timing, and operates only after shareholders and eligible creditors of the resolved bank have already absorbed losses. While this falls short of the ex ante resolution funding arrangements adopted in some jurisdictions, such as the EU and the United Kingdom, it nonetheless takes an important step towards alignment with international resolution-financing principles by ensuring that public support is complemented by a credible and flexible mechanism for industry cost sharing.

For a systemically important bank, resolution action under the new framework is undertaken following consultations with the National Bank of Kazakhstan and the Financial Stability Council. This is intended to ensure broad institutional alignment and manage systemic risk collectively. The New Banking Law allows the state (including via national holding companies) to inject capital, acquire shares and provide temporary support as part of the resolution of a systemic bank, with various post-resolution safeguards, notably loss absorption, valuation discipline and ex post cost recovery, provided for under Article 100.

The New Banking Law represents a substantial strengthening of the legal architecture governing bank failures. By establishing early intervention powers, a menu of resolution tools and industry-based loss sharing, the New Banking Law reduces reliance on ad hoc state support and contributes to greater predictability for creditors and investors.

CORPORATE GOVERNANCE, THE OMNIBUS LAW AND IMPLEMENTATION CHALLENGES

Corporate governance was an important focus of the EBRD's technical cooperation project supporting the New Banking Law and related reforms. On the subject of governance requirements, the New Banking Law is largely framework-level and defers key requirements to secondary legislation – that is to say, to the new Regulation 42¹⁰ (governing the approval of senior management and board appointments) and Regulation 86 (governing risk management and internal control systems), as referred to above.

In this context, a significant development relates to the treatment of independent directors: the law refines the definition of “independent director” and introduces additional criteria governing independence and a mechanism for their ongoing monitoring, including annual declarations and verification at both board and regulator level. In parallel, the law recognises the principle of proportionality for corporate governance requirements, while deferring to secondary instruments and supervisory practice for its operationalisation. As previously indicated, Regulation 86, the new secondary instrument, does not yet differentiate between banks with a basic licence and those with a universal licence when it comes to corporate governance requirements. This could potentially be the focus of future work, therefore.

In addition, conflicts of interest and related-party transactions are regulated more comprehensively under the New Banking Law by building on the concept of “persons with special relations” vis-à-vis a bank. This concept explicitly covers members of the board of

¹⁰ Resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market No. 42 “On Approval of the Rules for Granting Consent to the Appointment (Election) of Senior Managers of a Bank, Bank Holding Company, Branch of a Non-Resident Bank of the Republic of Kazakhstan, Insurance (Reinsurance) Organisation, Insurance Holding Company, Branch of a Non-Resident Insurance (Reinsurance) Organisation, Insurance Broker, Branch of a Non-Resident Insurance Broker, Unified Accumulative Pension Fund, Voluntary Accumulative Pension Fund, Joint Stock Company ‘Insurance Payments Guarantee Fund’, Professional Securities Market Participant, Including the Criteria for the Absence of an Impeccable Business Reputation, the Documents Required for Obtaining Consent, the Requirements Regarding Professional Experience for Candidates Holding Professional Qualifications Confirmed by International Certificates, and the List of Such Certificates”, dated 3 April 2026. Available at: <https://adilet.zan.kz/rus/docs/V2600038345>.

directors, senior management and other key decision-makers of the bank and their close relatives, as well as major shareholders (including bank holding companies), their officials and related entities, affiliates, participants in the banking conglomerate and other persons meeting regulatory criteria for special relations. The framework limits dealing on favourable terms with such persons, requires board-level approval and recusals for certain transactions, and provides for reporting on both “persons with special relations” and related transactions.

The New Banking Law obliges banks to establish and maintain a risk-management and internal control system, including internal policies and procedures. More detail is set out in Regulation 86, with a bank’s board of directors being responsible for overall oversight of, and accountability for, the effectiveness of the bank’s corporate governance system. Regulation 86 addresses the subject of executive remuneration at a governance and policy level, requiring appropriate remuneration policies aligned with risk management. A separate Regulation 38330¹¹ envisages remuneration deferral mechanisms for bank management, which are, to a certain extent, similar – though not identical in terms of scope – to the EU framework on remuneration structures, caps or quantitative rules.¹²

As regards the appointment of senior management, Regulation 42 harmonises the “fit-and-proper assessment” across the financial sector – that is to say, the regulatory evaluation of whether an individual is suitable and sufficiently competent to perform a leadership role in a regulated institution. Thus, the regulation applies to banks, bank holding companies, branches of non-resident banks, insurance and reinsurance entities, insurance holding companies, branches of non-resident insurance and reinsurance entities, pension funds and securities market participants. Regulation 42 introduces requirements that senior management must meet relating to their professional qualifications, work experience and business reputation.

These reforms are intended to bring Kazakhstan’s banking governance framework closer to Basel Committee guidance and European supervisory practice. Nevertheless, the reform process has highlighted limitations in the broader legal framework. As previously discussed, certain concepts introduced in the New Banking Law interact imperfectly with the JSC Law, a key piece of legislation for those banks that are required to be incorporated as joint stock companies in Kazakhstan. In particular, the introduction of modern resolution tools, most notably bail-ins, necessitated bespoke legal design in order for those tools to operate within a corporate law framework that was not originally intended to accommodate administrative write-downs and the conversion of liabilities to share capital outside ordinary shareholder decision-making processes. The JSC Law is widely considered to be outdated and does not fully reflect contemporary international standards on governance topics, including directors’ duties and liability, board composition and structure (including committee arrangements), and internal control expectations. Modernisation of the JSC Law has therefore been identified as a key medium-term reform priority to ensure coherence across the legal framework.

The New Banking Law was accompanied by an Omnibus Law amending more than 40 primary statutes to ensure consistency across Kazakhstan’s financial legal system. Through these amendments, the National Bank of Kazakhstan and the Agency pursued a much broader reform of the financial sector covering insolvency, securities regulation, enforcement

¹¹ Resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market No. 38330 “On Establishing Requirements for the Internal Policy on Remuneration, Accrual of Monetary Compensation and Other Forms of Financial Incentives for Senior Officers of a Bank, Insurance (Reinsurance) Organisation, Insurance Broker, Branch of a Non-Resident Bank of the Republic of Kazakhstan, Branch of a Non-Resident Insurance (Reinsurance) Organisation of the Republic of Kazakhstan, and Branch of a Non-Resident Insurance Broker of the Republic of Kazakhstan”, dated April 2023. Available at: <https://adilet.zan.kz/rus/docs/V2600038330>.

¹² See Article 94 of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 (CRD IV), as amended by Directive (EU) 2019/878 (CRD V) and Directive (EU) 2024/1619 (CRD VI), which impose binding requirements regarding bank remuneration, including bonus caps, mandatory deferral, payment of variable remuneration in instruments and ex post risk adjustment. See also EBA (2021).

procedures and supervisory powers and digital financial assets (DFAs). Some of the most significant amendments were changes to the Law on Digital Assets, aimed at providing a clearer legal foundation for DFAs. This has reduced legal uncertainty around the issuance, trading and custody of DFAs. For the first time, such assets are now explicitly recognised as financial instruments, placing them on a similar legal footing to money, securities and derivative instruments, and bringing them within the remit of financial market supervision. In addition, the Omnibus Law establishes a regulatory perimeter for digital platforms, distinguishing clearly between DFA platform operators (responsible for issuance, circulation, registry and custody of DFAs) and digital asset trading platform operators (responsible for organising and operating trading systems with digital assets, including DFAs). Both categories of platform operator are subject to registration, supervision and oversight by the National Bank of Kazakhstan, reinforcing institutional accountability and mitigating risks. Meanwhile, the Agency retains responsibility for the regulation and supervision of the DFAs themselves.

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Another cornerstone of the Omnibus Law is the creation of a single economy-wide financial ombudsman system, accompanied by mandatory pre-trial dispute-resolution procedures for financial services. The Omnibus Law embeds the concept of “responsible business practices” across the financial sector, requiring financial institutions to ensure honest, transparent and fair treatment of consumers throughout the lifecycle of financial products. This represents an important shift, moving from the previous reactive enforcement regime to a proactive model involving supervision of conduct and behavioural oversight.

CONCLUSION: LAW, STABILITY AND INVESTMENT

Kazakhstan’s New Banking Law is one of the most ambitious banking law reforms undertaken in the EBRD’s central Asia region in recent years. By addressing structural weaknesses in competition and crisis management, and by embedding relevant international standards where applicable, the reform lays the foundations for a more resilient and investable banking system and clearly signals Kazakhstan’s intention to attract greater international investment and strengthen economic governance.

The practical impact of the reform will inevitably take time to assess. Whether it translates into greater market entry, reduced concentration and improved access to finance will depend not only on the quality of the legal framework but also on regulatory consistency, supervisory practice and market confidence as implementation progresses. In this respect, the effectiveness of the New Banking Law will hinge on how practice develops in technically complex areas such as bank recovery and resolution, which are underpinned by an extensive body of dedicated secondary legislation. Building credibility in this area requires not only well-designed implementing rules but also consistent application of those rules over time, supported by clear supervisory communication, scenario testing and the gradual familiarisation of market participants with the new resolution tools. Experience from European resolution

regimes highlights the importance of drawing on independent third-party expertise, particularly in valuations, to ensure that the framework functions credibly and predictably in situations of stress.

Against this backdrop, the EBRD looks forward to continuing its close engagement and partnership with the Agency, the National Bank of Kazakhstan and the banking sector in supporting implementation of the New Banking Law, as well as in the context of a forthcoming project to support further development of legal infrastructure for the capital market.

A key pillar of the New Banking Law will be the suite of regulations that support its implementation in practice. In the area of bank recovery and resolution, for example, the New Banking Law envisages a comprehensive package of implementing regulations underpinning the new regime, including detailed requirements for financial recovery and resolution planning, early

intervention and resolution triggers, valuation methodologies, the execution of share transfers and resolution tools, safeguards around state participation and the operationalisation of depositor pay-outs. Building on the Agency's close consultation with domestic banks and representative bodies, including the Association of Financiers of Kazakhstan, sustained and transparent dialogue during implementation will be essential to ensure that the reform is fully and effectively embedded in new areas such as these in practice. In parallel, continued engagement with international investors and foreign financial institutions will be critical to building confidence in the new framework, particularly in a challenging geopolitical environment where cross-border capital is increasingly sensitive to legal certainty and policy predictability. Together, these efforts will help to ensure that the New Banking Law delivers demonstrable benefits for financial stability, competition and long-term investment.



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S. Sakenova (2024), "Tokayev calls for new law to stimulate economic activity and develop fintech sector", *The Astana Times*, 2 September. Available at: <https://astanatimes.com/2024/09/tokayev-calls-for-new-law-to-stimulate-economic-activity-and-develop-fintech-sector> (last accessed 10 May 2026).

