Early Warning System

EBRD-22837

Kazakhstan: New Capital Markets Framework

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Quick Facts

Countries	Kazakhstan
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	U
Borrower	Government of Kazakhstan
Sectors	Finance, Law and Government, Technical Cooperation
Investment Type(s)	Advisory Services

Project Description

As stated by the EBRD, Kazakhstan has undertaken extensive work to develop and enhance the resilience of the capital market, as well as to protect the rights and interests of investors. The infrastructure of the securities market has been modernised, measures have been taken to liberalise regulation, expand the retail and institutional investor base, increase transparency and predictability of business conditions, and establish channels for access to international capital markets.

Capital markets in Kazakhstan are regulated by the **Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market** (the "Agency"). The Agency began operations on 1 January 2020 and is the state body responsible for regulation, control and supervision of the financial market and financial organisations with the aim of contributing to the stability of the financial system and the development of the financial market. The Agency is the assignee of the rights and obligations of the **National Bank of the Republic of Kazakhstan** (the "NBK") with respect to the transferred functions and powers as to the regulation, control and supervision of financial market and financial organisations.

The legal and regulatory framework for capital markets is primarily based on the **Securities Market Law**, supported by numerous secondary legislative acts. While this framework provides a solid foundation, it requires reform to consolidate fragmented chapters and establish a more coherent and logical structure. Originally adopted in 2003, the law has since undergone more than 50 amendments. As a result, an overall assessment of the applicable legal framework, its coherence and structure are needed, and it should be improved to enhance international comparability. It also contains certain gaps on topics of emerging importance, such as digital financial assets, Islamic finance instruments, investor protection, issuance rules, clearing counterparties or the capital market infrastructure. Encouraging further private sector engagement with capital markets will be key to their development, and an assessment should also be conducted regarding legal and regulatory constraints faced by potential issuers.

At the beginning of 2026, the Head of State of the Republic of Kazakhstan instructed the Agency and the NBK to develop a **Capital Market Development Programme (up to 2030)**. The Capital Market Development Programme will form the policy basis for the subsequent reform of the capital markets legislative framework (including the drafting of a new Securities Law). The legislative reform will serve as an implementation tool of the Capital Market Development Programme.

Against this background, it is proposed to undertake (i) a diagnostic assessment of Kazakhstan's capital market, providing an international legal benchmarking of the local framework and developing the Capital Market Development Programme, and (ii) a comprehensive reform of the local legislative framework underpinning the capital market, likely including a new Securities Law.

Technical Assistance Services:

As a result, the EBRD intends to conduct two parallel projects to assist the Agency in assessing:

(i) Kazakhstan's capital market, providing an international legal benchmarking of the local framework and developing the Capital Market Development Programme; and
(ii) the existing legal and regulatory framework governing capital markets in Kazakhstan as well as drafting the relevant legislation, to foster a more robust, transparent and efficient capital market environment.

The EBRD will be seeking to engage consulting and international legal services from a company or consortium of companies to undertake the first assignment and a Kazakh law firm or consortium of firms to undertake the second assignment of the Project.

Investment Description

- European Bank for Reconstruction and Development (EBRD)

Information on the cost of the technical assistance was not provided at the time of disclosure.

Contact Information

No project contacts provided at the time of disclosure.

ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form: https://www.ebrd.com/eform/information-request

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: pcm@ebrd.com or you can submit a complaint online using an online form at: http://www.ebrd.com/eform/pcm/complaint_form?language=en

You can learn more about the PCM and how to file a complaint at: http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html