



NATIONAL BANK OF KAZAKHSTAN

## PUBLIC INFORMATION NOTICE

March 6, 2017

### On convergence of the official refinancing rate and the base rate

On February 24, 2017 the Board of the NBK has adopted the Resolution on the mechanism of convergence (i.e., equalization) of the official refinancing rate and the base rate. The decision about the convergence of the rates was announced in November 2016 in the document *Monetary Policy Guidelines of the Republic of Kazakhstan for 2017*.

Starting from April 1, 2017 the value of the official refinancing rate will be equal to the value of the base rate. Henceforward, the change in the base rate will result in an automatic and simultaneous change in the official refinancing rate.

The decision on the rates' convergence was made in order to even the cost of money in the different segments of economy. Currently, the cost of money in the money market is determined by the base rate (currently – **11%**). Along with that the current level of the official refinancing rate (amounting to **5,5%**), which is used in civil law and administrative-legal relations for charging penalties, indemnification fines and in computation of the lost profits, does not reflect the actual cost of money.

It should be mentioned that the most optimal moment was chosen for eliminating the current imbalance on the market when the range between the rates is minimal.

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