



**THE NATIONAL BANK
OF KAZAKHSTAN
P R E S S - R E L E A S E № 94**

**Agreement on the Organization of Settlements and Payments,
and Kazakh Tenge / Chinese Yuan Bilateral Currency Swap
Arrangement**

December 15, 2014

Astana

The National Bank of Kazakhstan and the People's Bank of China have done the Agreement on the Organization of Settlements and Payments, and the Kazakh Tenge / Chinese Yuan Bilateral Currency Swap Arrangement.

The Agreements were signed by Kairat Kelimbetov, Governor of the National Bank of Kazakhstan, and Zhou Xiaochuan, Governor of the People's Bank of China on the 14th of December 2014 in Astana. The signing ceremony was attended by the Prime-Ministers of both states. The setting for this event was provided by the official visit of Li Keqiang, Premier of the State Council of the People's Republic of China, to the Republic of Kazakhstan.

The Agreement on the Organization of Settlements and Payments renders it possible to make settlements and payments for goods, services, and other transactions among Kazakhstan's and China's residents both in foreign and national currencies in their national jurisdictions. The Agreement provides for a wider sphere of using the national currencies in terms of geography and spectrum of transactions, and, as well, cooperation towards opening direct trading in the currency pair of KZT/CNY. By way of a follow-up, this Agreement will make it possible to get a legal footing for broadening the areas where national currencies could be used in bilateral settlements.

The Currency Swap Arrangement has been made for a total amount of 7 billion CNY / 200 billion KZT. The funds under this Arrangement can be used for financing trade between the two countries in their national currencies. This Arrangement is valid for three years and can be extended by mutual consent. The Arrangement has renewed the swap-line which the central banks agreed to open in 2011.

Both agreements are designed to create favourable conditions for developing reciprocal trade and direct investment to be made in their national currencies.

Let us recall that September 25, 2014, in following up the Ninth Meeting of the Kazakhstan-Chinese Sub-Committee for Financial Cooperation, saw the launch

of trading in CNY/KZT on the Kazakhstan Stock Exchange. KZT/CNY trading on the Regional Market of the China Foreign Exchange Trading System (Urumqi) will start on December 16, 2014. The creation of the infrastructure for trading in the currency pair of KZT/CNY, i.e., the desired implementation of the new foreign exchange instrument on the organized interbank markets of the two countries would promote the development of reciprocal trade to be settled in the national currencies.

The signing of the Agreement on the Organization of Settlements and Payments has terminated the earlier Agreement on the Interbank Settlements in the Trade in the Border Areas of December 14, 2005.

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