



PRESS-RELEASE

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Brokerage firms given the right to participate in foreign currency trading on KASE

Kazakhstan Stock Exchange JSC (KASE, the Exchange) provides access to trading in the KASE FX market for brokerage firms. Currently, the access is given to the test version of the trading system in order to debug the interaction between brokerage firms and the Exchange's systems.

The project on providing direct access to the exchanged-based FX market to brokerage firms was initiated by KASE in 2016. In 2017, KASE jointly with the National Bank of Kazakhstan, Association of Financiers of Kazakhstan and representatives of the second-tier banks and brokerage firms has developed various options for providing access to trading in the FX market to brokerage firms within the framework of this project.

It was agreed during working meetings with the National Bank that the admission of brokerage firms to the FX market would be implemented in two stages. At the first stage it was planned to provide admission to brokerage firms on the following conditions: full preliminary delivery of the foreign currency sold and/or prepayment for the foreign currency bought; brokerage services organizations can only serve individuals; net purchase amount per day will be limited to a maximum of US \$100,000 per one client / (net sales of currency is unlimited). Partial collateral and client base expansion are envisaged during the second stage.

Relevant amendments on providing brokerage firms with the right to participate in trading in the FX market were made to the Rules for Brokerage and/or Dealer Activities in the Securities Market approved by the Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 9 dated February 03, 2014. The amendments became effective on April 22, 2018.

Currently, brokerage firms should do the following to gain access to foreign currency trading on KASE: obtain license from the National Bank of Kazakhstan to conduct banking operations in national and foreign currencies; go through the procedure of obtaining KASE membership in "currency" category.

In accordance with the Regulations on Membership Fees and Exchange Dues, the entrance membership fee for "currency" category for brokerage firms will be 1,500 MCI, monthly membership fee for "currency" category will be 25 MCI.

Besides, the KASE commission fee on foreign currency transactions was set at the rate of 0.0005% of the amount of each transaction made by a brokerage firm.

For reference

Kazakhstan Stock Exchange (KASE) is a leading stock exchange in the Central Asian region and the only exchange in Kazakhstan, carrying out its activities in the financial market. It is a universal trading platform for repo market instruments, foreign currencies, government and corporate securities, bonds of international financial institutions as well as derivatives.

KASE is a member of the World Federation of Exchanges (WFE), the Federation of Euro-Asian Stock Exchanges (FEAS) and other international and local professional associations. In 2015, KASE joined the UN Sustainable Stock Exchanges initiative. KASE ranked second among the CIS exchanges in

terms of securities trading volume and ranks sixth in terms of equity market capitalization among the FEAS exchanges.

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