

KAZAKHSTAN STOCK EXCHANGE

Approved

by a decision of the Board
of Kazakhstan Stock Exchange
(minutes No.44
dated April 29, 2021)

Effective as of

July 1, 2021

RULES

for the use of trading and clearing accounts for the purpose of concluding transactions

Developer: Trading Department

Almaty

2021

These Rules are developed in accordance with the internal documents of Kazakhstan Stock Exchange JSC (hereinafter referred to as the Exchange) and determine the conditions for the use of trading and clearing accounts in order to conclude transactions in trades conducted by the Exchange.

Article 1. Main concepts and designations

1. For the purposes of these Rules:
 - 1) a trading and clearing account means an account in the Exchange's trading and clearing system, which is an aggregate of a trading account and a clearing account that coincides with it by the number of a clearing account, which ensures the execution, accounting and control of transactions and / or operations carried out using such a trading account;
 - 2) a client of a trading participant means an individual or legal entity that entered into a contractual relationship with a trading participant in order to conclude transactions by such a trading participant on behalf, at the expense and in the interests of this person;
 - 3) the client code means the code assigned to the client of the trading participant of the Central Securities Depository JSC (hereinafter - the Central Securities Depository) used in the stock market or the code assigned to the client of the trading participant in accordance with the Exchange's internal document "Instruction on the procedure for assigning codes to the JSC members "Kazakhstan Stock Exchange" and their accounts, users of trading systems, issuers of securities and financial instruments "used in the foreign exchange market.
2. Other concepts and symbols used in these Rules are identical to the concepts defined by the legislation of the Republic of Kazakhstan, the internal document "Rules for the implementation of exchange activities" and other internal documents of the Exchange.

Article 2. General Provisions

1. In order to conclude transactions, trading participants in the manner prescribed by the Exchange internal document "Instruction on the procedure for assigning codes to members of Kazakhstan Stock Exchange JSC and their accounts, users of trading systems, issuers of securities and financial instruments" are opened trading and clearing accounts.
2. In the stock market, transactions can be concluded using the following trading and clearing accounts of trading participants:
 - 1) own trading and clearing account;
 - 2) client trading and clearing account;
 - 3) client trading and clearing account for aggregate position accounting.
3. In the foreign exchange market, transactions can be concluded using the following trading and clearing accounts of trading participants:
 - 1) own trading and clearing account;
 - 2) client aggregated trading and clearing account.
4. In the derivatives market, transactions can be concluded using the following trading and clearing accounts of trading participants:
 - 1) own trading and clearing account;
 - 2) client trading and clearing account.

Article 3. Concluding cross deals

1. The settings of the trading and clearing system prohibit the conclusion of cross-transactions by trading participants using trading and clearing accounts established by paragraphs 2-4 of Article 2 of these Rules.
2. Cross-transactions on the stock market include the following transactions:
 - 1) in the parameters of any of the applications of the opposite direction, the client's code is not specified and the same own account is used;
 - 2) in applications of the opposite direction, the customer codes are indicated, at the expense of which the transaction is concluded, and these codes are the same (registered for the same client).
3. An application submitted on the stock market must specify the client's code, at the expense and in the interests of which such an application is submitted, except for the use of their own trading and clearing accounts, which do not provide for the presence of client codes.
4. Cross-transactions on the foreign exchange market include the following transactions:
 - 1) the client code is not specified in the parameters of any of the orders of the opposite direction and the same own, client or client aggregated trading and clearing account is used;
 - 2) in applications of the opposite direction, the customer codes are indicated, at the expense of which the transaction is concluded, and these codes are the same (registered for the same client).
5. An application submitted on the foreign exchange market using a client's aggregated trading and clearing account may specify the client's code, at whose expense and in whose interests such an application is submitted.
6. Cross-transactions in the derivatives market include the following transactions:
 - 1) in the parameters of orders of the opposite direction, the same own or client trading and clearing account is used;
 - 2) in applications of the opposite direction, different trading and clearing accounts are used, while the details of such accounts coincide.

Article 4. The procedure for registering and canceling clients on the foreign exchange market

1. Taking into account the specifics established by paragraph 5 of Article 3 of these Rules, a foreign exchange market trading participant registers its client by sending an application for registration of a trading participant's client to the Exchange, issued in the form of an appendix to these Rules.
2. Upon receipt of an application for registration of a client, the Exchange registers the client in its information systems no later than the next business day after receiving such an application.
3. If necessary, the trading participant has the right to cancel the registration of his client by sending an application to the Exchange in any form indicating the client's code and the date from which it is necessary to exclude this client from the Exchange's information systems.
4. Cancellation of the client's registration is carried out only in case of complete closure of previously opened positions in his name.
5. The trading participant is fully responsible for the accuracy of the data provided in the application and independently keeps records of clients registered on the Exchange.

Article 5. The procedure for registering and deleting clients on the stock market

1. Information on customer codes is received from the Central Securities Depository to the trading and clearing system on the day when such a code is assigned to the client.
2. After receiving information from the Central Securities Depository about the deletion of the client's code, the Exchange excludes him from the trading and clearing system. At the same time, the Exchange member is independently responsible for the existence of obligations registered under such a client code.

Article 6. Final provisions

1. These Rules and all changes and / or additions to them are brought to the attention of trading participants / clearing participants by posting on the Exchange's Internet resource (www.kase.kz).
2. These Rules are subject to updating as necessary, but at least once every three years, calculated from the date of entry into force of these Rules.
3. Responsibility for the timely introduction of changes and / or additions (updating) to these Rules rests with the trading department.

Chairperson of the Board

A. Aldambergen

Appendix

to the Rules for the use of trading and clearing accounts for the purpose of concluding a transaction

CLIENT REGISTRATION APPLICATION¹

We hereby ask Kazakhstan Stock Exchange JSC to register in the ASTS + trading and clearing system (currency market) the client [full name of the Exchange member of the "currency" category] with the following details:

No.	Requisites	
1.	Exchange member code ²	
2.	Client code	
3.	Client type	<p>Credit organisation <input type="checkbox"/></p> <p>Pension Fund <input type="checkbox"/></p> <p>Investment fund <input type="checkbox"/></p> <p>Broker <input type="checkbox"/></p> <p>Insurance organization <input type="checkbox"/></p> <p>Other legal entity <input type="checkbox"/></p> <p>Individual <input type="checkbox"/></p> <p>Legal entity - non-resident <input type="checkbox"/></p> <p>Individual - non-resident <input type="checkbox"/></p>
4.	Country code ³	

[Chief executive]

[signature]

[Surname, initials]

¹ The application must be made on the letterhead of an organization - a member of the Exchange.

² The code set upon admission to the Exchange is indicated.

³ The digital code of the country is indicated in accordance with the international standard ISO 3166-1, of which the client is a resident.