

PRESS RELEASE

Almaty

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KASE has updated the Report on Compliance with IOSCO fundamental Principles for Financial Market Infrastructures

"Kazakhstan Stock Exchange" JSC notifies on the updating the Report on Self-Assessment of Compliance with the fundamental Principles for financial market infrastructures (hereinafter referred to as PFMI), which establish international standards for systemically important payment systems, central securities depositories, securities settlement systems, central counterparties and trade repositories.

The Self-assessment Report was published on KASE website at: https://kase.kz/files/mix/concept_info.pdf.

The Exchange conducted such self-assessment for the first time in 2019. Based on the results of this self-assessment, was drawn up an action plan to achieve full compliance with the PFMI. In the current year, after the implementation of the plan, another self-assessment of PFMI compliance was carried out, according to which the Exchange fully complies with 19 principles and partially complies with two of the 24 principles. Three principles are not applicable to the Exchange, as they set standards for depositories or repositories.

The Exchange conducts a self-assessment of the compliance of the PFMI as an infrastructure organization that performing clearing activities, the functions of a central counterparty and certain types of banking operations for all exchange markets, provides exchange market participants with a guarantee of fulfillment of obligations and requirements for transactions concluded by them, minimizes systemic risks in the markets served by the central counterparty.

Principles for financial market infrastructures were published by the International Organization of Securities Commissions (IOSCO) and the Committee on Payments and Settlement Systems (CPSS) on 2012.

PFMI are designed to contribute achieving the best standards in the field of security, efficiency and sustainability of financial market infrastructures. Full compliance with PFMI is a benchmark of quality and minimization of infrastructure risks.

In accordance with the PFMI, in markets where a central counterparty operates, the credit risks for participants are reduced through multilateral netting of transactions and the establishment of more effective risk controls for all participants, as well as systemic risk reduction in markets served by a central counterparty.

The updated self-assessment confirms that the Exchange, as a Central Counterparty, complies with the best international principles and is a modern clearing organization that provides clearing participants and their clients with the required level of service.

The Exchange will continue to take measures to bring its activities in full compliance with the PIFR-IOSCO.

For reference

Kazakhstan Stock Exchange (KASE) is a leading stock exchange in the Central Asian region. KASE is the second among the CIS exchanges in terms of securities trading volume, and the fifth in terms of the equity

market capitalization among the FEAS exchanges. It is a universal trading platform for corporate and government securities, bonds of international financial institutions, foreign currencies, transactions of the money market – repo and swap, 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, as well as a participant of the UN's "Sustainable Stock Exchanges" initiative.

The International Organization of Securities Commissions (IOSCO) is an organization that unites national authorities for the regulation and supervision of securities markets in order to develop standards for the regulation of national stock markets and the exchange of information, including supervisory information, between IOSCO member regulators.

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