



### **Beware of telephone fraud and social media fraud**

**There have been many instances recently when fraudsters contact citizens by phone or on social networks, offering to buy securities or invest money in the stock market. In doing so, the fraudsters promise big profits and use the name of Kazakhstan Stock Exchange (KASE).**

The Exchange urges citizens to be vigilant and not fall for the tricks of scammers.

**KASE officially declares that it never offers to individuals or legal entities its own services with the direct participation of the Exchange or its employees involving purchase of securities or other assets on exchange markets.**

**KASE is the operator of trades and directly interacts only with financial organizations (banks and brokerage organizations),** provides them with the opportunity to connect to the Exchange's trading system, submit orders and conclude deals. Organizations that can directly connect to the Exchange's trading system and conclude transactions in it are members of the Exchange. The list of members of the Exchange with indication of membership categories and contact information is published on KASE website at: <https://kase.kz/en/membership/#brokers> .

Be careful when dealing with brokerage organizations. It is they who serve private investors, and it is brokerage organizations that can carry out transactions in the Exchange's trading system on behalf of private clients. At the same time, fraudsters often act on behalf of such organizations.

Remember! Before you trust money to anyone and give instructions on your behalf to make any transactions, make sure the person is authentic. If you have any suspicions, refuse remote contacts and contact the office of the bank or brokerage organization.

How do most fraudsters operate? They use a fairly common scheme: they contact citizens through the popular instant messengers WhatsApp, Telegram, social networks, email, and use cold calls. At the same time, these persons present themselves as employees of the Exchange or a brokerage organization and offer to invest in securities. In return, the fraudsters promise the potential victim high investment income, consulting, and related services, for which they ask to transfer various amounts to supposedly brokerage accounts.

After the transfer of money, fraudsters cooperate with the client until the moment when he expresses a desire to partially or completely withdraw his funds from the brokerage account. Then the "depositors", as a rule, have difficulties in communicating with pseudo-brokers . Moreover, in most cases, fraudsters require additional amounts to be deposited in order to immediately withdraw the entire amount of previously invested funds.

**In order to protect personal property and against fraudsters, the Exchange recommends that citizens of Kazakhstan follow the following simple rules.**

The first thing to pay attention to is that the bank and the broker must have a license.

Banks and brokers operate only on the basis of a license from the authorized body – the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market (ARDFM). The activities of financial intermediaries are strictly regulated by the Civil Code of the Republic of Kazakhstan, the Act of the Republic of Kazakhstan "On the Securities Market" and other regulatory legal acts of the Republic of Kazakhstan. **Each bank and broker has the right to serve a client only on the basis of an agreement with this client.**

Second, make sure that the bank or broker really exists and can serve customers.

All banks and brokers that can serve individuals are listed in the lists of licensees or trading participants of the Exchange. Check the presence of a bank or a broker on the websites of ARDFM and KASE. Contact the office of the bank or brokerage organization or call their call center yourself.

It must be understood that by investing in the stock market, the investor is not immune from market risks and as a result can both earn income and incur losses. Therefore, the broker must not and does not have the right to guarantee the client a high investment income and (or) the absence of investment losses.

If you are faced with any type of financial fraud, we recommend that you contact the Agency for Regulation and Development of the Financial Market on issues of protecting the rights of consumers of financial services at the hotline number +7 (727) 237 10 00. You can familiarize yourself with the list of organizations that are suspected of carrying out unlicensed activities at <https://www.gov.kz/memleket/entities/ardfm/press/news/details/266321?lang=ru>.

In order to compensate for damages and bring the perpetrators to justice, we recommend that persons affected by fraudulent actions contact the law enforcement agencies of the Republic of Kazakhstan.