

# KAZAKHSTAN STOCK EXCHANGE JSC

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## PRESS-RELEASE

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### **A seminar was held on issues of development of international cooperation on stock markets of Turkey and Kazakhstan**

On June 23, 2014 Kazakhstan Stock Exchange (KASE) conducted in Rahat Palace Hotel (Almaty) a seminar called "Stock markets of Kazakhstan and Turkey: current trends and prospects of cooperation".

The seminar was attended by Chairman of the National Bank of the Republic of Kazakhstan (NBK) K. Kelimbetov, President of KASE M. Kabashev, Vice-president of Istanbul Stock Exchange (BIST) H. Zafer, as well as heads and specialists of key units of NBK, Kazakhstan Stock Exchange and Istanbul Stock Exchange.

The seminar was aimed at exchanging information about the current state of affairs and trends in the development of regulated stock markets of Kazakhstan and Turkey, as well as finding new ways of a mutually beneficial cooperation.

In the course of the seminar the Kazakh party conducted presentations on various issues of the government regulation of the securities market, as well as on specifics and current mechanisms of exchange trading on KASE.

Turkish colleagues provided information on the current state of affairs on their securities market, and also highlighted main tendencies, projects and plans of development. Information about mechanisms and measures on issuers listing being implemented by BIST, as well as about successfully attracting foreign investors to Turkey's shares market (64 % of the total number of investors are from abroad) aroused a lot of interest from Kazakh exchange traders.

As CEO of NBK Kairat Kelimbetov pointed out, for Kazakhstan, where government program the People's IPO has been launched recently, as well as an activation of the Islamic instruments sector is planned, experience of the Istanbul Stock exchange will be useful.

It is worth noting that the cooperation between KASE and Istanbul Stock Exchange has been developing consistently and successfully over many years. In the recent years the stock exchanges have implemented a series of joint projects, whereas an exchange of experience and opinions between stockbrokers of the two countries was taking place. Since 1997 when KASE became a member of the Federation of Euro-Asian Stock Exchanges (FEAS), under FEAS experience sharing programs many KASE subject-matter specialists have visited the Istanbul Stock Exchange to get acquainted with the exchange trading in Turkey. A lot of joint work has been conducted within various measures, committees and FEAS working groups. In their turn, BIST specialists on their business trips learnt about KASE activities and helped Kazakhstan Stock Exchange with useful advice based on their own experience of stock market development in a country with emerging economy. In 2011 a Cooperation Memorandum was signed between KASE and BIST.

Currently, the most important issue for KASE and local securities market regulator is the search for ways leading to a whole new level. In this regard the need to reach the best international standards of exchange operations in order to become global is beyond any doubt. In this field KASE over years of its existence succeeded a lot, but the work will

continue. From this standpoint, it is not to underestimate today the invaluable experience and assistance from one of the most dynamically and progressively developing exchanges of the world, the Istanbul Stock Exchange. In the opinion of KASE President Maksat Kabashev, studying the BIST experience is especially relevant in terms of Kazakhstan's outlooks as member of the Eurasian Economic Union and implementation of the People's IPO. It is obvious that these factors could play a positive part in developing Kazakhstan's stock market. In particular, the BIST's experience as a regional center of Islamic finance could come in handy for KASE.

KASE President suggested establishing direct communications at the level of specialists of operating units of the two exchanges which is going to be more efficient for interaction. Mr. Zafer on his part agreed to this initiative.

In the course of the seminar Kazakh and Turkish participants discussed some lines of further cooperation. The most valuable, in the stockbrokers' opinion, was participation of the regulator in this discussion format, for which they thanked Mr. K. Kelimbetov. Being interested in an immediate and direct communication on the part of the regulator at such a high level gives on itself an unprecedented impulse to the quickest finding of efficient ways for the market development taking into account interests of both the stockbrokers and the state.

Based on results of the seminar a decision was taken to continue the practice of professional communication and expanding relations between the stock markets of the two countries. An agreement was reached to conduct another meeting in such format to discuss further joint initiatives and measures.

#### **For reference**

The Federation of Euro-Asian Stock Exchanges (FEAS) was set up on May 16, 1995 by 12 member-founders. Currently FEAS consists of 34 members and 12 affiliated members, including clearing, settlement organizations and dealer associations, as well as one regional federation – South Asian Federation of Exchanges (SAFE).

FEAS mission is to provide assistance with regard to creation of favorable, effective and transparent market relationships between FEAS members and regions where they operate. FEAS goal is to reduce to minimum barriers for trade by way of adopting cutting-edge global experience in trading listed securities, settlements, as well as maintaining interaction between its members to promote international trade.

KASE is the single exchange in Kazakhstan operating the financial market. This is a universal floor trading repo market instruments, foreign currencies, government and corporate securities of Kazakh and foreign issuers, bonds of international financial institutions.

KASE is a member of the World Federation of Exchanges (WFE), Federation of Euro-Asian Stock Exchanges (FEAS), Software & Information Industry Association (SIIA/FISD), International Association of Exchanges of Commonwealth of Independent States (IAE CIS), Association of Financiers of Kazakhstan (AFK).

In 5 months of 2014 the total volume of trade on KASE reached an equivalent of USD96.2 bn, including on the shares market – USD103.5 mln. KASE-operated shares market's capitalization as of June 1, 2014 was estimated at USD25.2 bn; that of the corporate bond market – at USD32.6 bn.

Istanbul Stock Exchange (BIST) leads its history from the moment of establishment of the first Turkish exchange back in 1873. In its current form the BIST was registered in 2013, created as a result of integration of the Istanbul Stock Exchange, Istanbul Gold Exchange and Turkey's Derivative Financial Instruments Exchange.

The Istanbul Stock Exchange currently operates a stock market, a debt securities market, a futures and options market, an emerging companies market, as well as a precious metals and precious stones market.