

## REQUIREMENTS FOR CANDIDATES FOR KASE FOREIGN MEMBERSHIP

No.	Name of criterion/requirement	Category "currency"	Categories "equity", "derivatives"
1.	Be a legal entity that meets the requirements (criteria) established by the resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Supervision of the Financial Market and Financial Organizations "On the requirements for foreign legal entities, as well as participants of the Astana International Financial Center for membership in the stock exchange" dated 30 September 2005 No. 360	+	+
2.	Be established in a state that has the current status of a member of the FATF or a member of a regional group that is an associate member (observer) of the FATF	+	+
3.	Be established in a state that has concluded an international treaty (convention, agreement) with the Republic of Kazakhstan on the avoidance of double taxation and on the prevention of tax evasion on income and capital (property)	+	+
4.	Not be registered (established) as a legal entity in any of the offshore zones, the list of which is determined in the Republic of Kazakhstan for the purposes of the activities of professional participants in the securities market and other licensed types of activities in the financial market and for the purposes of combating the legalization (laundering) of income received criminal means and terrorist financing	+	+
5.	Carry out activities on the basis of rights (licenses or permits) for at least two calendar years before the date of filing an application for admission to foreign members of the Exchange	+	+
6.	Have a risk management system that largely complies with the provisions for organizing risk management for broker-dealers of the securities market, recommended by IOSCO <sup>1</sup> or established by the relevant regulatory legal act of the Republic of Kazakhstan <sup>2</sup>	+	+
7.	Maintain accounting records and prepare financial statements in accordance with the requirements of international financial reporting standards or financial reporting standards in force in the United	+	+

<sup>1</sup> An abbreviation of the English phrase "International Organization for Securities Commissions" - International Organization of Securities Commissions. Risk Management and Control Guidance for Securities Firms and their Supervisors, A Report by the Technical Committee of the International Organization of Securities Commissions (May, 1998, 31p., <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD78.pdf>).

<sup>2</sup> Rules for the formation of a risk management and internal control system for organizations engaged in brokerage and dealer activities in the securities market, investment portfolio management activities, approved by Resolution of the Board of the National Bank of the Republic of Kazakhstan dated August 27, 2013 No. 214.

Rules for the formation of a risk management and internal control system for second-tier banks, approved by Resolution of the Board of the National Bank of the Republic of Kazakhstan dated November 12, 2019 No. 188

	States of America		
8.	Have an authorized capital in an amount equivalent to at least 400,000 MCI	+	+
9.	Have own capital not less than the amount of the authorized capital	+	+
10.	Be an active member of the (stock) exchange of a state other than the Republic of Kazakhstan, in accordance with the legislation of which a candidate for foreign member (foreign member of the Exchange) was established, with the right to participate in trading in those types of financial instruments, admission to trading that are in the Exchange's trading system this candidate intends to receive or has access to a foreign member of the Exchange	-	+
11.	The foreign regulatory body of the state, in accordance with the legislation of which the candidate for foreign member (foreign member of the Exchange) was established, signed a multilateral IOSCO memorandum of understanding, cooperation and exchange of information or the state, in accordance with the legislation of which the candidate for foreign member was established (foreign member of the Exchange), has a sovereign rating of at least "BBB-" on the Standard & Poor's scale or a rating of a similar level from another rating agency (the latest rating by date of assignment (update or confirmation) is taken into account)	-	+
12.	Have a valid permit (license or right) to conduct transactions with financial instruments other than securities, including foreign exchange transactions, issued by a foreign regulatory authority, if such permission (license or right) is provided for by applicable law	+	-
13.	Have a valid permit (license or right) to carry out brokerage and/or dealer activities in the securities market, issued by a foreign regulatory authority	-	+

**Notes on the table:**

1. In column 2, "+" means that the requirement is applicable to candidates for foreign members of the Exchange (foreign members of the Exchange) by "currency" category; "-" means that the requirement is not applicable to candidates for foreign members of the Exchange (foreign members of the Exchange) in the "currency" category.
2. In column 3, "+" means that the requirement is applicable to candidates for foreign members of the Exchange (foreign members of the Exchange) in the "stock" category and/or in the "derivatives" category; "-" means that the requirement is not applicable to candidates for foreign members of the Exchange (foreign members of the Exchange) by the "stock" category and/or by the "derivatives" category.