

# KAZAKHSTAN STOCK EXCHANGE JSC

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**A p p r o v e d**

by decision of the Management Board of  
Kazakhstan Stock Exchange JSC

(minutes No. 11 of the meeting  
dated January 25, 2024)

**E f f e c t i v e f r o m**

February 1, 2024

## Trader Certification PROCEDURE

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Almaty City

2024

## **Trader Certification Procedure**

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This Procedure has been developed in compliance with the internal documents of Kazakhstan Stock Exchange JSC (hereinafter referred to as the Exchange) and determines the manner, conditions and procedure for certification of traders of members of the Exchange.

### **Chapter 1. GENERAL PROVISIONS**

1. All concepts (definitions) and abbreviations used in this Procedure correspond to the concepts and definitions used in the laws of the Republic of Kazakhstan and internal documents of the Exchange.
2. Certification is carried out for traders of members of the Exchange who, subject to the internal documents of the Exchange were suspended from participation in trading and deprived of an access to work with the trading system of the Exchange (hereinafter referred to as the traders).  
Certification of traders shall be carried out for the purpose of an objective and transparent assessment of the possibility of renewing the admission of the suspended trader to participation in the trading based on determining the level of his professional training and qualifications, testing his knowledge of the laws of the Republic of Kazakhstan, internal documents of the Exchange and the trading and clearing system of the Exchange.
3. Objectivity of the certification process shall be ensured by standard conditions, time, calculation of results and test content.

### **Chapter 2. CONDITIONS FOR CERTIFICATION**

4. Certification of the trader shall be carried out in the presence of the Certification Commission in the form of testing to be carried out by submitting a questionnaire with answer options and a sheet of answers to the trader.
5. Testing of the trader shall be carried out no later than the second business day after the Exchange receives an application from the member of the Exchange, which employs this trader, filled out in the form of Annex 1 to this Procedure, to conduct certification of the suspended trader.
6. Based on the received application, members of the Certification Commission shall set a time and the date of testing (given the period established by clause 5 of this Procedure), which shall be communicated to the trader by the secretary of the Certification Commission (hereinafter referred to as the secretary) by sending him a message to his work email address.
7. Composition, functions and responsibilities of the Certification Commission and the Secretary shall be regulated by the Certification Commission Regulation and other internal documents of the Exchange.
8. Before the testing begins, the trader must present an identification document to the secretary.
9. After the trader presents the identification document, the secretary shall allow the trader to undergo testing.

### **Chapter 3. TESTING**

10. Before the testing begins, the secretary shall provide detailed instructions on the procedure for filling out the answer sheet, explain the criteria for summing up test results and information about prohibitions when taking testing, and also answer all questions of the trader regarding the testing.
11. Before the testing begins, the trader shall be given a questionnaire with answer options and an answer sheet.

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12. The answer sheet shall be filled out with a pen with blue or black ink.
13. The secretary shall record the start time of the testing and inform the trader of its completion time.
14. During the testing, the trader must not use educational, reference, special and other literature, as well as mobile phones and any other means of communication and information storage.  

During the testing, the trader cannot talk or leave the room in which the testing is carried out.

It is not allowed to stain, wrinkle, tear the answer sheet, use correction fluids, or take the answer sheet out of the room in which the testing is being carried out.
15. The trader shall be provided with an opportunity to choose only one option from the offered answers. For each question there can be from three to five possible answers.  

If an answer to any question is not given, such question shall not be counted (the answer to such question shall be counted as incorrect).
16. If the trader violates any of the conditions of clause 14 of this Procedure, the Certification Commission shall have the right to make a reprimand to such trader, and in case of a repeated violation, to remove such trader from the testing. In case of suspension, such trader shall be recognized as having failed the testing and may be allowed to retest no earlier than five business days from the date of passing the test.  

Removal of the trader from the testing shall be recorded by the secretary in the register of testing of users of the trading system.

The testing register shall be maintained by the secretary in the back-office system of the Exchange.
17. If the trader has answered all the questions ahead of schedule, he shall be given the opportunity to hand over the answer sheet to the present members of the Certification Commission.

### **Chapter 4. QUESTIONS FOR TESTING**

18. Test questions for testing shall be prepared by the trading, monitoring and surveillance divisions subject to the laws of the Republic of Kazakhstan, internal documents of the Exchange and the user manual of the trading and clearing systems of the Exchange.  

The trading, monitoring and surveillance divisions shall form a list of questions within their competence with three to five answer options for each question and indicating a correct answer, while there can be no more than one correct answer.

The list of questions with possible answers for testing shall be agreed upon by members of the Management Board of the Exchange in charge of the trading and surveillance divisions, and approved by members of the Certification Commission. Correct option shall be indicated among the answer options.

The list of regulatory legal acts of the Republic of Kazakhstan and internal documents of the Exchange, for which test questions are prepared, shall be set out in Annex 2 to this Procedure.

### **Chapter 5. TESTING CATEGORIES**

19. Depending on which of the exchange markets the trader is suspended from participating in trading, he shall be tested on the corresponding market (indicated in the "Market" column):

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Market	Total number of questions	Number of correct answers for successful testing	Total time, minutes
Stock market	50	40 and over	50
Foreign currency market	30	24 and over	30
Derivatives market	30	24 and over	30

### Chapter 6. TEST RESULTS

20. Answers in the answer sheet shall be checked by the secretary. The secretary shall indicate in a specially designated place on the answer sheet the total number of correct answers and present it to the members of the Certification Commission.
21. Members of the Certification Commission, based on the data provided in clause 19 of this Procedure, shall make a decision on the testing result of the trader.
22. The trader shall be recognized as having passed certification if the number of his correct answers is equal to or greater than that indicated in the table of clause 19 of this Procedure for the corresponding market.  
  
If the number of correct answers by a trader is less than that indicated in the table of clause 19 of this Procedure for the corresponding market, such trader shall be deemed to have failed the certification.
23. After the members of the Certification Commission make the decision specified in clause 21 of this Procedure, the trader shall be given a report on his test result subject to Annex 3 to this Procedure, signed by the chairman and members of the Certification Commission. The member of the Exchange shall be sent a written notice with an attached copy of the report on the testing result of the trader.
24. The test result shall be recorded by the secretary in the testing register of the back-office system of the Exchange.
23. After testing, the secretary of the Certification Commission shall prepare minutes of the meeting of the Certification Commission, which records the date, time and place of the meeting, as well as the members of the Certification Commission present at the meeting and the testing results of the traders in the form of a list of persons who passed the test. Minutes of the meeting shall be signed by the chairman and members of the Certification Commission and shall be stored in the trading division.
26. If the trader has not passed the test of the Exchange, he will be offered re-testing, but not earlier than five business days from the date of the testing.
27. In order to re-test, member of the Exchange which employs the trader must provide the Exchange with an application in the form of annex 1 to this Procedure about the trader passing the re-certification, after which the Certification Commission shall set a date and time for re-testing. The secretary shall inform the trader of information about the time and date of the re-testing.

### Chapter 7. FINAL PROVISIONS

28. Responsibility for timely introduction of changes and/or additions to this Procedure (updating) shall be borne by the trading division.
29. This Procedure shall be subject to updating as necessary.

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30. This Procedure shall be reviewed for the need for updating at least once every three years, to be counted after this Procedure takes effect, and if it is updated, after the recent changes/additions to the Procedure take effect.

Chairperson of the Management Board

A. Aldambergen

## Trader Certification Procedure

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### Annex 1

to the Trader Certification  
Procedure

[company's letterhead paper]

## **APPLICATION**

### **for certification of a suspended trader**

hereby on behalf of [name of the organization] we ask you to carry out certification of the following trader in order to resume his participation in the trading and operation of the trading system:

Surname, given name, patronymic name (if any)	
Primary/ repeated certification	
Date of suspension from participation in trading and cancellation of a permit to work with the trading system of the Exchange	
Exchange market on which the trader is suspended from work in the trading and his permit to work with the trading system of the Exchange is cancelled	
Work email address	
Office and mobile phones	

[Position of the person with  
primary signing authority ]

[signature]

[surname, initials]

[date in format "DD month YYYY"]

**Annex 2**

to the Trader certification  
Procedure

**LIST**

**of regulatory legal acts and internal documents of Kazakhstan Stock Exchange JSC (hereinafter the Exchange)  
to prepare the list of test questions**

No.	Document
<b>I.</b>	<b>General test questions</b>
1.1	Civil Code of the Republic of Kazakhstan
1.2	Law "On the Securities Market"
1.3	Law "On Anti-Money Laundering and Counter-Terrorism Financing"
1.4	Rules for brokerage and dealer activities on the securities market of the Republic of Kazakhstan approved by decree No. 9 of the Management Board of the National Bank of Kazakhstan dated February 3, 2014
1.5	Rules for activities of the organizer of trading in securities and other financial instruments, approved by decree No. 170 of the FSA Management Board dated October 29, 2008
1.6	Rules and conditions for recognizing actions of a securities market entity and other persons as committed for the purpose of manipulation on the securities market approved by decree No. 319 of the Management Board of the National Bank of the Republic of Kazakhstan dated December 28, 2018
1.7	Rules for creation and work of the expert committee, as well as its quantitative composition, approved by decree No. 319 of the Management Board of the NBRK dated December 28, 2018
1.8	Rules of professional ethics and business conduct approved by decision of the Exchange Council dated April 25, 2013 (Minutes No. 10)
1.9	Regulation on membership approved by decision of the Board of Directors (minutes No. 44 dated September 16, 2019)
1.10	Rules for resolving issues in case of technical failures in operation of the software and hardware complex of the Exchange approved by decision of the Board of Directors (minutes No. 47 of the meeting dated October 4, 2019)
<b>II.</b>	<b>Specialized test questions for traders of members of the foreign exchange market</b>

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No.	Document
2.1	Rules for carrying out exchange activities approved by decision of the Board of Directors dated September 24, 2019 (Minutes No. 45)
2.2	Regulations on trading and operation of the control and collateral system approved by decision of the Management Board dated June 4, 2020 (Minutes No. 74)
2.3	Specification of currency swap transactions and foreign currency transactions approved by decision of the Management Board dated November 17, 2020 (Minutes No. 151)
2.4	Specification of deliverable futures for the USD exchange rate approved by decision of the Management Board dated November 20, 2020 (Minutes No. 153)
2.5	Regulations on market makers approved by decision of the Board of Directors dated August 31, 2016 (Minutes No. 22)
2.6	Rules for activities of market makers approved by decision of Management Board dated November 29, 2019 (Minutes No. 147)
2.7	User's Guide for work with the trading and clearing system ASTS+ (foreign exchange market)
<b>III.</b>	<b>Specialized test questions for traders of members of the stock market</b>
3.1	Rules for carrying out exchange activities approved by decision of the Board of Directors dated September 24, 2019 (Minutes No. 45)
3.2	Rules for subscription to securities approved by decision of the Board of Directors dated July 1, 2022 (Minutes No. 21)
3.3	Rules for placement of government treasury obligations of the Republic of Kazakhstan approved by decision of the Board of Directors dated December 15, 2021 (Minutes No. 70)
3.4	Procedure for making transactions with securities without participation of a central counterparty and making related settlements (gross settlements) approved by decision of the Board of Directors dated June 3, 2020 (Minutes No. 18)
3.5	Procedure for making transactions with securities with participation of the central counterparty approved by decision of the Board of Directors dated August 15, 2023 (Minutes No. 85)
3.6	Rules for implementation of repo transactions approved by decision of the Board of Directors dated May 21, 2020 (Minutes No. 16)
3.7	Specification of repo transactions carried out "automatically" approved by decision of the Management Board dated June 09, 2020 (Minutes No. 78)
3.8	Regulation on methods of trading in the trading and clearing systems approved by decision of the Board of Directors dated September 24, 2019 (Minutes No. 45)
3.9	3.9 Regulations on market makers approved by decision of the Board of Directors dated August 31, 2016 (Minutes No. 22)
3.10	Regulations on trading and operation of the control and collateral system approved by decision of the Management Board of the Exchange dated June 4, 2020 (Minutes No. 74)



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No.	Document
3.11	Rules for activities of market makers approved by decision of the Management Board of November 29, 2019 (Minutes No. 147)
3.12	User's Guide for work with the trading and clearing system ASTS+ (stock market)
IV.	Specialized test questions for traders of members of the derivatives market
4.1	Rules for carrying out exchange activities approved by decision of the Board of Directors dated September 24, 2019 (Minutes No. 45)
4.2	Regulations on trading and operation of the control and collateral system approved by decision of the Management Board of the Exchange dated June 4, 2020 (Minutes No. 74)
4.3	Regulations on market makers approved by decision of the Board of Directors dated August 31, 2016 (Minutes No. 22)
4.4	Rules for activities of market makers approved by decision of the Management Board of November 29, 2019 (Minutes No. 147)
4.5	Specification of futures for the foreign currency exchange rate to KZT approved by decision of the Management Board dated June 23, 2021 (Minutes No. 61)
4.6	Specification of futures for the KASE Index approved by decision of the Management Board dated June 23, 2021 (Minutes No. 61)
4.7	Specification of futures for shares of Kazakhstan's issuers approved by decision of the Management Board dated June 23, 2021 (Minutes No. 61)
4.8	Regulation on membership fees, exchange and clearing fees, on commission for accounting for collateral approved by decision of the Board of Directors dated July 13, 2018 (Minutes No. 22)

**Test Results**  
**REPORT**

**Date and time:**

**Surname, given name, patronymic name:**

**Organization:**

No.	Stock market	Number of questions	Number of correct answers	Number of incorrect answers	Test result (passed/ failed)

Chairman of the Certification Commission

\_\_\_\_\_  
(signature)

employee of the surveillance division

\_\_\_\_\_  
(signature)

employee of the monitoring division

\_\_\_\_\_  
(signature)

Secretary of the Certification Commission

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(signature)