

KAZAKHSTAN STOCK EXCHANGE

Approved
by a decision of the Board of directors
of Kazakhstan Stock Exchange
(minutes No.42
dated June 23, 2021)

Effective as of
July 7, 2021

RULES **for implementation** **settlements for trading on the** **derivatives market**

List of amendments

1. Change and addition No. 1:

- approved by decision of the Board of Directors of JSC "Kazakhstan Stock Exchange" (Minutes No.67 of the meeting of November 29, 2021);
- Effective from December 20, 2021.

These Rules have been developed in accordance with the legislation of the Republic of Kazakhstan and the charter of Kazakhstan Stock Exchange JSC (hereinafter referred to as the Exchange) and determine the conditions and procedure for settlements for trading in derivative financial instruments on the derivatives market, conducted in the Exchange trading system.

Article 1. Main concepts and designations

1. These Rules use the concepts and terms defined by the Exchange internal document "Rules for Clearing Transactions in Financial Instruments" (hereinafter - the Clearing Rules), as well as by the legislation of the Republic of Kazakhstan.
2. For the purposes of these Rules:
 - 1) a bank account means a bank account of a clearing participant in Kazakhstani tenge, which is used to credit money received from the Exchange in payment of the requirements of this clearing participant;
 - 2) a guarantee fee is a deposit of the clearing participant to the clearing guarantee fund of the derivatives market;
 - 3) under the guarantee security is meant collateral of clearing participants, taken into account in order to ensure the execution of trades, as defined in the Clearing Rules;
 - 4) the available amount means the amount of money allowed for transfer from the correspondent account of the Exchange in favor of the clearing participant in accordance with the Clearing Rules, which is the difference between the amount of money recorded on the accounting accounts of this clearing participant in the Exchange's internal accounting system for the derivatives market, and the amount of collateral determined based on the results of daily clearing;
 - 5) transactions are understood as transactions with financial derivatives of the derivatives market, concluded in the Exchange's trading system;
 - 6) registry account means the account of a clearing participant in the internal accounting system of the Exchange, the opening and maintenance of which is carried out for the purpose of accounting by the Exchange of money received from clearing participants to correspondent accounts of the Exchange, in accordance with an internal document of the Exchange governing the general conditions and procedure for accounting for money for settlements, related to trades held in the Exchange's trading system.
3. Other concepts and terms used in these Rules are identical to the concepts and terms defined by the legislation of the Republic of Kazakhstan and other internal documents of the Exchange.
4. The concepts and terms used in these Rules may be applied in other internal documents of the Exchange, the Exchange's correspondence and in exchange information.

Article 2. General provisions on calculations

1. Calculations include:
 - 1) making payments by clearing participants in favor of the Exchange:
in order to fulfill their obligations to the Exchange by transferring the amounts of obligations determined by the results of clearing to the correspondent account of the Exchange;

in order to ensure the transactions concluded at the exchange auctions;

- 2) making payments by the Exchange in favor of clearing participants according to their statements, by transferring money to bank accounts of clearing participants.
2. The basis for settlements for trading on the derivatives market for a clearing participant is:
 - 1) when fulfilling obligations to the Exchange - clearing reports generated and submitted to clearing participants in accordance with the Clearing Rules;
 - 2) when clearing participants deposit money to the Exchange's correspondent account as collateral for transactions - documents determined by clearing participants independently.
3. The basis for the Exchange to carry out settlements for trading on the derivatives market for the Exchange are:
 - 1) applications of clearing participants drawn up in accordance with article 8 of these Rules;
 - 2) clearing reports generated in accordance with the Clearing Rules.
4. The Exchange performs settlements in the "payment versus payment" mode, which means that the Exchange can fulfill the request of a clearing participant only after the clearing participant has fully fulfilled its counter obligation to the Exchange, determined in accordance with the Clearing Rules (if any).
5. When carrying out settlements, the Clearing Member shall be obliged to ensure crediting of money to the correspondent account(s) of the Exchange.

For confirmation of crediting of money by clearing participants to the Exchange's correspondent account the Exchange is guided solely by documents of its correspondent banks. Documents provided by clearing participants as such confirmation shall not be accepted and shall not be considered by the Exchange. *(This item was amended by the decision of the Exchange Board of Directors on November 29, 2021).*
6. In order to identify payments and separate internal accounting of their own and / or client money arriving to the Exchange correspondent account from clearing participants as payment for their obligations to the Exchange, depositing collateral on concluded deals or making guarantee contributions, clearing participants must indicate special codes denoting the type of payment and allowing to unambiguously distribute money among registry accounts in the internal accounting system of the Exchange.

The special codes specified in the first paragraph of this clause must also be indicated when a clearing participant submits an application in the form of Appendix 3 to these Rules, in order to determine the details of the bank account to which the Exchange needs to transfer money in favor of this clearing participant.

The list of such codes is approved by the Exchange Management Board member in charge of the Exchange settlement division and published on the Exchange Internet resource (www.kase.kz).
7. Each clearing participant makes settlements taking into account the category assigned to him in accordance with the Exchange's internal document "Regulations on Clearing Members".
8. Settlements for trading on the derivatives market are carried out within the time frame established by the Exchange's internal document governing the time of settlement and clearing sessions.
9. Reflection by the Exchange of the amounts of claims and obligations of clearing participants on their registry accounts is carried out after the completion of the settlement and clearing session for trading on the derivatives market.

Clearing reports generated in accordance with the Clearing Rules serve as the basis for the Exchange to reflect on its registry accounts the amounts of claims and obligations of clearing participants determined based on the results of trading and clearing in the derivatives market.

Article 3. Correspondent accounts of the Exchange

(This name was changed by the decision of the Exchange Board of Directors on November 29, 2021)

1. The Exchange uses a correspondent account in Kazakhstani Tenge with the National Bank of the Republic of Kazakhstan for settlements on trading on the derivatives market, as well as for safekeeping of guarantee fees and collateral of clearing participants, denominated in Kazakhstan tenge.

The Exchange shall use correspondent accounts in foreign currencies with foreign banks and the National Bank of the Republic of Kazakhstan to keep collateral of the clearing participants expressed in foreign currencies.

Details of the Exchange's correspondent accounts are published on the Exchange's website (www.kase.kz).

(This item was changed by the decision of the Exchange Board of Directors on November 29, 2021)

2. In the event of a change in the details of the correspondent account, the Exchange notifies the clearing members of this by sending them individual messages by e-mail and publishing the corresponding information messages and changed details of the correspondent account on the Exchange's Internet resource.

The Exchange is obliged to notify the clearing participants of the change in the details of its correspondent account no later than five working days before the day the changed details of the Exchange's correspondent account start to be applied in the calculations.

Article 4. Bank accounts of clearing members

1. For settlements and crediting of Kazakhstan tenge received from the Exchange, clearing participants are entitled to use their own bank accounts in Kazakhstan tenge, opened with the National Bank of the Republic of Kazakhstan, the second-tier banks of the Republic of Kazakhstan, or in the Central Securities Depository JSC.

For crediting of foreign currencies coming from the Exchange, clearing participants are entitled to use their own bank accounts in foreign currencies opened in the second-tier banks of the Republic of Kazakhstan, in foreign banks or in the Central Securities Depository JSC.

Clearing Members shall be entitled to use separate bank accounts for separate settlements and accounting of their own and customers' money.

(This item was amended by the decision of the Exchange Board of Directors on November 29, 2021)

2. Clearing Members shall be obliged to provide the Exchange with bank account details intended for crediting of Kazakhstani Tenge received from the Exchange, according to the form of Appendix 1 to these Rules.

The Clearing Members shall be obliged to provide the Exchange with the details of the bank accounts in foreign currencies, intended for crediting of the foreign currencies coming from the Exchange, according to the form of Appendix 4 to these Rules *(this paragraph was included by decision of the Exchange Board of Directors of November 29, 2021)*.

3. Clearing participants are obliged to immediately notify the Exchange about the change in details or the closure of bank accounts, the details of which are provided to the Exchange in accordance with clause 2 of this article.
4. The clearing participant bears full responsibility for the consequences of providing the Exchange with inaccurate bank account details, as well as for the consequences of violating the obligation established by clause 3 of this article, including compensation for possible losses of the Exchange related to using such unreliable details by the Exchange.

Article 5. Payments by clearing participants in favor of the Exchange

1. A clearing participant having an obligation to the Exchange is obliged to ensure that Kazakhstani tenge is credited to the Exchange's correspondent account in payment of such an obligation no later than the deadline established by an internal document of the Exchange regulating the time of settlement and clearing sessions, or to fulfill this obligation in another way provided for by the Clearing Rules.
2. The Clearing Member shall be entitled to transfer money (apart from performance of the obligations specified in clause 1 of this article) to the correspondent accounts of the Exchange to form the Collateral both before the trading day for derivatives, and during such trading day (*this item was changed by the decision of the Exchange Board of Directors of November 29, 2021*).
3. When making settlements, a clearing participant is prohibited from delegating payments in favor of the Exchange to its branches, subsidiaries or any other third parties.

The prohibition established by the first paragraph of this clause may not be applied with the written permission of the Chairperson of the Management Board of the Exchange or a member of the Management Board in charge of the Exchange settlement division in a situation where a clearing participant is unable to independently fulfill obligations to the Exchange. In this case, the clearing participant must submit an application containing a description of the reasons for the impossibility of fulfilling its obligations, as well as the name and bank details of the legal entity that will make the payment to fulfill the clearing participant's obligation. The Application must be signed by a person who, in accordance with the document with samples of signatures provided to the Exchange, has the right of first signature on behalf of this clearing participant.

Article 6. Exchange payments in favor of clearing participants

1. The exchange is obliged to submit a payment order to transfer money from its correspondent account to a clearing participant in fulfillment of his request to transfer money in his favor, if such a request is formalized by an application of a clearing participant drawn up in the form of Appendix 3 to these Rules (subject to the restriction established by paragraph 2 of this articles).
2. Upon receipt of the applications specified in clause 1 of this article, the Exchange checks them for compliance with the conditions established by article 8 of these Rules. The exchange is obliged to refuse to accept an application for a money transfer if such an application does not meet any of the conditions established by article 8 of these Rules.
3. If the application for money transfer meets the conditions established by article 8 of these Rules, the Exchange submits to the correspondent bank a payment order to transfer money to the clearing participant within one hour after receiving the specified application.

Article 7. Keeping money in the correspondent account of the Exchange

1. A clearing participant is entitled to submit to the Exchange an application for keeping money in the correspondent account of the Exchange, drawn up in the form of Appendix 2 to these Rules. The time when the Exchange accepts applications from clearing participants to keep money in the correspondent account of the Exchange is from 09.00 to 17.30 hours of Nur-Sultan city time.
2. An application for keeping money in the correspondent account of the Exchange is a document signifying the intention of a clearing participant on a permanent basis (for an indefinite period) to keep all of its available amount, calculated based on the results of daily clearing, on the correspondent account of the Exchange.
3. An application in the form of Appendix 2 to these Rules is signed by a trader or other authorized employee of the clearing participant and must be submitted in electronic form using an electronic digital signature in the "eTransfer.kz" information transmission system or in hard copy.

Article 8. Conditions for submission of applications for money transfer by clearing participants

1. A clearing participant has the right to submit to the Exchange an application for money transfer in his favor, drawn up in the form of Appendix 3 to these Rules, in an amount not exceeding the available amount determined in accordance with the Clearing Rules. The time when the Exchange accepts applications from clearing participants to transfer money in their favor from the beginning of the trading day on the derivatives market until 17.30 hours of the city of Nur-Sultan.
2. An application for money transfer in favor of a clearing participant is a requirement of this clearing participant to transfer all or part of the available amount of the clearing participant located on the correspondent account of the Exchange, and is subject to execution by the Exchange upon a positive result of verifying the possibility of such transfer, implemented in the derivatives market trading and clearing system in accordance with the Clearing Rules.

In case of a negative result of the check specified in the first paragraph of this clause, the Exchange does not execute such a statement.
3. The application for money transfer in favor of the clearing participant is submitted by the clearing participant to the Exchange in electronic form in XML format in the "eTransfer.kz" information transmission system using the electronic digital signature of the trader or other authorized employee of the clearing participant.
4. This article does not apply to cases of refund of the guarantee contribution of a clearing participant. The conditions and procedure for the return of the guarantee deposit are established by the Clearing Rules.

Article 9. Restrictions on Settlement of Trading on the Derivatives Market

1. When a clearing participant or its beneficial owner is included in the list of persons involved in terrorist activities, in the list of organizations and persons associated with the financing of terrorism and extremism, in the list of organizations and persons associated with financing the proliferation of weapons of mass destruction, the Exchange, in the manner and terms, provided for by the Exchange's internal documents on countering the legalization (laundering) of proceeds from crime and the financing of terrorism, takes measures to freeze transactions with the money of such a clearing participant in accordance with the Exchange's internal document governing the procedure for freezing client transactions.
2. The Exchange resumes transactions on settlement of trading on the derivatives market with the clearing participant specified in paragraph 1 of this article, in

accordance with the legislation of the Republic of Kazakhstan and internal documents of the Exchange on countering legalization (laundering) of proceeds from crime and financing of terrorism.

Article 10. Violation of payment discipline by a clearing participant

1. A clearing participant is recognized as a violation of payment discipline for (taking into account the specifics established by paragraph 2 of this article):
 - 1) not crediting or crediting not in full of the amount of the obligation of this clearing participant on the day of settlement to the correspondent account of the Exchange;
 - 2) crediting the amount of this participant's obligation to the Exchange's correspondent account later than the time established by the Exchange's internal document regulating the time of settlement and clearing sessions.
2. A violation of payment discipline shall not be recognized as cases from among those specified in clause 1 of this article, if the respective obligation of the clearing participant was settled by him independently in accordance with the Clearing Rules.
3. Violation of payment discipline by a clearing participant is an unconditional and sufficient reason for the Exchange to fail to comply with the requirements of this clearing participant and its requirements for the return of money.
4. The procedure for settling the obligations of a clearing participant who has committed a violation of payment discipline is established by the Clearing Rules.
5. A clearing participant who has committed a violation of payment discipline may be removed from trading in all or individual financial instruments by decision of the Exchange Management Board. The term of such suspension is established by the decision of the Exchange Board.

Article 11. Non-fulfillment by the Exchange of the requirement of a clearing participant

1. The Exchange's failure to fulfill the requirements of a clearing participant, taking into account the restrictions established by Article 12 of these Rules, is recognized as:
 - 1) non-deduction or incomplete crediting of the amount of the clearing participant's demand for money transfer that is subject to execution;
 - 2) violation of the details of the clearing participant's bank account when making a payment in payment of his claim.
2. A clearing participant whose request has not been fulfilled by the Exchange has the right to apply to the Dispute and Conflict Resolution Commission with an application for recovery of real damage and / or penalty.

Article 12. Limitation of the Exchange's liability

1. The Exchange is not responsible for non-fulfillment and/or non-crediting and/or not crediting in full:
 - 1) requirements of a clearing participant on any day, if this clearing participant has not fulfilled its obligation to the Exchange on that day;
 - 2) requirements of a clearing participant, if additional verification procedures and/or identification and/or assessment of the possibility of transferring money are carried out in relation to this clearing participant, its parent organization or the beneficial owner, or other procedures that result in non-execution, incomplete or untimely execution by the Exchange's correspondent bank of the Exchange's order to transfer money to this clearing participant.

2. The Exchange takes measures within its competence for the timely fulfillment of the requirements of clearing participants.
3. In any case, the amount of the penalty paid by the Exchange may not exceed 0.05 % of the amount of the unfulfilled claim of the clearing participant(unfulfilled claims of clearing participants), and in the case of partial execution , the amount of the penalty may not exceed 0.05 % of the amount of the unfulfilled part of the claim.

Article 13. Force majeure circumstances

1. The circumstances of force majeure are understood as:
 - 1) fire, earthquakes and other natural disasters, war, military actions, terrorist acts, popular unrest, strikes, lockouts, embargoes, other economic sanctions, prohibitions and restrictions established by state bodies;
 - 2) malfunction of the software and hardware tools of the RSE "Kazakhstan Center for Interbank Settlements" used by the Exchange and / or participants for making settlements in.
2. The document confirming the occurrence of a force majeure circumstance from among the circumstances specified in subparagraph 1) of paragraph 1 of this article and determining the duration of its validity is a document of the relevant (competent) body of the Republic of Kazakhstan or another competent body (organization) of the relevant state.
3. The document confirming the occurrence of a force majeure circumstance specified in subparagraph 2) of paragraph 1 of this article and determining the duration of its validity is a certificate or other document signed by the first head of the RSE "Kazakhstan Interbank Settlement Center" or a person replacing him.
4. A person for whom it has become impossible to make settlements due to the occurrence of a force majeure circumstance is obliged to immediately notify the beneficiaries of payments within the framework of such settlements of the occurrence of a force majeure circumstance, the expected period of its validity and its termination.

If the person specified in the first paragraph of this paragraph is a clearing participant, such a clearing participant is obliged to provide the Exchange with the document specified in paragraph 2 or paragraph 3 of this article within three working days from the date of its receipt.
5. The Exchange and/or the clearing participant (participants) are released from liability for violation of the deadlines for the fulfillment of requirements and / or obligations if such violation was caused by the action of a force majeure event that began after the occurrence of the relevant requirements and/or obligations, and which the Exchange and/or the clearing participant (participants) could not (could not) foresee or prevent.
6. In the event of a force majeure circumstance, the terms of settlement are proportionately postponed for the duration of such a circumstance.

Article 14. Final provisions

1. Situations related to settlements for trading on the derivatives market, the settlement procedure for which is not established by these Rules and other internal documents of the Exchange, as well as any disputes related to settlements on trading on the derivatives market are subject to resolution by the Dispute Resolution Commission. If such permission is impossible - in accordance with the legislation of the Republic of Kazakhstan.

Rules for Settlement of Trading on the Derivatives Market

2. These Rules are subject to updating as necessary, but at least once every three years.

Chairperson of the Board

A. Aldambergen

Appendix 1

to the Rules for making settlements on trading on the derivatives market

**DETAILS
of bank account**

(name of the clearing participant)	Sheet ¹
	<input type="checkbox"/> In addition to previously submitted ²
Date and time of submission	<input type="checkbox"/> Instead of previously submitted ²
Date from which the bank account details are valid	<input type="checkbox"/> Submitted for the first time ²
Clearing member bank account type	<input type="checkbox"/> own bank account to account for your own money ²
	<input type="checkbox"/> own bank account for accounting of client money ²

Name of the beneficiary ²	
Bank account number (IIC ⁴)	
BIN ⁵	
Beneficiary's bank name ⁶	
BIC ⁷ beneficiary's bank	
CBE ⁸	

¹ In "Sheet X of n" format.

² Mark the desired option with a sign × or ✓.

³ In this Appendix, the beneficiary means the clearing participant.

⁴ Individual identification code, which is a bank account number.

⁵ Clearing member business identification number.

⁶ Name of the bank in which the bank account of the clearing participant is opened.

⁷ Bank identification code of the bank in which the bank account of the clearing participant is opened.

⁸ Beneficiary code.

[Position of the chief executive]

[signature]

[Surname, initials]

[Chief Accountant Position]

[signature]

[Surname, initials]

Signatures verified

(personal stamp of the employee who checked the Exchange, date of verification)

Appendix 2

to the Rules for Settlement of
Trading on the Derivatives
Market

(This appendix was amended by the decision of the Exchange Board of Directors of November 29, 2021)

**APPLICATION
for keeping money on the correspondent account
of the Exchange**

Kazakhstan Stock Exchange JSC

(name of the clearing participant)	Date on which the application was submitted
	Application submission time
	Date from which the application is valid
Type of accounting account of the clearing participant	<input type="checkbox"/> own register account *
	<input type="checkbox"/> aggregate client account *

The Clearing Member hereby declares its intention to keep the money (specify the three-letter code designation of currency, for example: KZT, USD) on the Exchange correspondent account:

This statement shall be effective insofar as the Clearing Member has not submitted any other statement at a later date.

* Mark the desired option with the sign × or ✓.

From the clearing participant (signature, last name, initials of the trader or authorized employee)	Signature of trader or authorized employee verified <input type="checkbox"/> accepted <input type="checkbox"/> not accepted Reason for refusal of admission: (personal stamp of the employee of the Exchange who checked it, check date)
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Appendix 3

to the Rules for Settlement of Trading on the Derivatives Market

APPLICATION
for money transfer in favor of a clearing participant

XML file generation specification

Encoding – **utf-8**.

The file requires a mandatory immutable header:

<?xml version="1.0" encoding="utf-8"?>

File name example: **XML24KASPI35.xml**

File name composition	Description of file naming sections
Format name	Always XML24
Clearing member code	5 characters. For example: KASPI
Message sequence number	Always equal to the value in the "NUMBER" field inside the message

All tags of the file are contained in the root tag <MESSAGE>. All tags are required, even if the value is empty. Upper case is used.

Tags:	Description of tags inside the file
<NUMBER>	Required. Unique sequence number of the message
<DATETIME>	Required. Date and time of message formation in the format dd.mm.yyyy hh24: mi: ss, for example: 07/07/2020 11:05:00
<FIRMCODE>	Required. Clearing member code
<BIN>	BIN, if available
<CURRENCY>	Required. Currency code in international format, for example: KZT
<AMOUNT>	Amount to withdraw. For example,80000000.00
<ACCOUNTTYPE>	Required. A special code for selecting an account from which the money will be transferred.
<IBAN>	Bank account number. If not specified, the bank account details provided earlier will be used.
<TRADER>	Required. Surname, name, patronymic (if any) of the trader or authorized employee in full, in Cyrillic.

Example of filling XML24 file:

File name:

XML24KASPI35.xml

Text:

<?xml version="1.0" encoding="UTF-8"?>

<MESSAGE>

 <NUMBER>35</NUMBER>

 <DATETIME>07.07.2021 11:05:00</DATETIME>

 <FIRMCODE>KASPI</FIRMCODE>

 <BIN>950740000547</BIN>

<CURRENCY>KZT</CURRENCY>
<AMOUNT>1221.00</AMOUNT>
<ACCOUNTTYPE>DVOWN</ACCOUNTTYPE>
<IBAN>KZ48722S000000010424</IBAN>
<TRADER>Иванов Владимир Иванович</TRADER>
</MESSAGE>

Appendix 4

to the Rules for settlement
of trades in the derivatives market

(This appendix was included by a decision of the Exchange Board of Directors on November 29, 2021)

**LIST AND DETAILS OF
bank accounts in foreign currencies**

(name of the Clearing Member in Russian and English / in transliteration of SWIFT- RUR6 ³)	Sheet ¹
	(currency code ²)
	<input type="checkbox"/> In addition to the previously filed ⁵
Date and time of submission	<input type="checkbox"/> In lieu of previously filed ⁵
Date from which the bank account details are valid	<input type="checkbox"/> Submitted for the first time ⁵
Type of bank account of the Clearing Member ⁴	<input type="checkbox"/> own bank account to account for your own money ⁵
	<input type="checkbox"/> own bank account to account for client money ⁵
Name and address of the servicing bank ⁶	
Bank account number of the clearing participant	
SWIFT BIC of the Clearing Member (if any)	
SWIFT BIC and other identifiers of the servicing bank	
Name, address and SWIFT BIC of intermediary bank ⁷	
BIC and TIN of the servicing bank ⁸	
Correspondent account of the servicing bank with the Central Bank of the Russian Federation ⁹	

¹ In the format "Sheet X of n". For each type of currency a separate list of details is provided.

² A three-letter code for the currency, e.g., USD

³ Name in Russian and English. When making out details in Russian rubles it is necessary to indicate also the name in transliteration SWIFT- RUR6.

⁴ The section is intended for filling in by the clearing participants, which are non-banking institutions.

⁵ Mark the desired option with × or ✓.

⁶ When filling in the details in Russian rubles, the name in Russian and in transliteration SWIFT- RUR6.

⁷ To be filled in if there is an intermediary bank.

⁸ To be filled in if the details are in Russian rubles.

⁹ Central Bank of the Russian Federation.

[Position of first supervisor]

[signature]

[Surname, initials]

[Position of chief accountant]

[signature]

[Surname, initials]

Signatures verified
(personal stamp of the Exchange employee who checked it,
test date)

