

# KAZAKHSTAN STOCK EXCHANGE

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**Approved**

by a decision of Kazakhstan Stock  
Exchange Board of Directors

(meeting minutes No. 22  
of August 31, 2016)

**Effective**

as of October 1, 2016

## **NOTICE**

The Regulations below in English have been translated by employees of Kazakhstan Stock Exchange for information purposes only. In case of any incompliance of this translation with the Regulation original version in Russian, the latter prevails.

# R E G U L A T I O N S

## on Market-Makers

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Almaty

2016

These Regulations have been developed in accordance with the legislation of the Republic of Kazakhstan and define the general rules of market-makers' operation at Kazakhstan Stock Exchange (hereinafter – the Exchange).

1. The term "market-maker" in these Regulations means a member of the Exchange acknowledged by the Exchange as a market-maker for particular financial instruments, who accordingly accepts the obligation to announce and maintain purchase and sell quotations for those financial instruments as well as other obligations ensuing from that Exchange member's status of a market-maker for financial instruments of that title.
2. Other terms and conditional designations used in these Regulations are identical to terms defined by other internal documents of the Exchange or the legislation of the Republic of Kazakhstan.
3. The following rules of market-makers' operation are determined by the Exchange's internal document "Rules of market-Makers' activities", approved by the Exchange's Management Board (hereinafter – the Rules):
  - 1) terms and procedure of assigning the market-maker status;
  - 2) terms and procedure of voluntary relinquishment of the market-maker status;
  - 3) terms and procedure of forced withdrawal of the market-maker status;
  - 4) the market-makers' specifications, i.e. sets of requirements, rights, liabilities, prohibitions, restrictions, special conditions, benefits (preferences) and other conditions applicable to market-makers for financial instruments of the same type (title) or several similar types (titles) in addition to general requirements set out in item 12 of these Regulations.
  - 5) responsibility for non-fulfillment or violation of the market-maker's obligation.
4. A member of Exchange may obtain the market-maker status only on those financial instruments which he has the right to conclude deals in at trades conducted by the Exchange according to his membership category on the Exchange.
5. A member of Exchange can be a market-maker for financial instruments of an unlimited quantity of titles, taking into account restrictions ensuing from item 4 of these Regulations and restrictions set out in the Rules.
6. If not otherwise specified by the Rules, the status of a market-maker for financial instruments of a particular title can be assigned to several members of Exchange.
7. The status of a member of Exchange as a market-maker for particular financial instruments does not provide that member of Exchange with additional rights in regard to other financial instruments nor does it impose on that member of Exchange additional liabilities or restrictions in regard to other financial instruments.
8. Carrying out activities of a market-maker for financial instruments of a particular title, a member of Exchange must follow the legislation of the Republic of Kazakhstan, internal documents of the Exchange and ethics guidelines for members of Exchange.

A member of Exchange holding the status of a market-maker for particular financial instruments of must conscientiously and in full perform obligations and observe prohibitions, restrictions and special conditions set out in these Regulations and the Rules.
9. A member of Exchange may voluntarily give up its status as a market-maker for particular financial instruments as well as it can forcibly be withdrawn the market-maker status in a manner set out in the Rules.
10. The Exchange's Management Board shall take the following decisions related to the market-maker status:
  - 1) on assignment of the market-maker status;
  - 2) on withdrawal of the market-maker status due to voluntarily relinquishment of said status;
  - 3) on compulsory withdrawal of the market-maker status.

11. The validity of statuses of market-makers for financial instruments of any titles assigned to an organization is automatically ceased as of the effective date of the decision of the authorized body of the Exchange according to which the membership of that organization in the Exchange is suspended or discontinued with regard to the category entitling that organization to conclude deals in those financial instruments during the trades operated by the Exchange.
12. If not otherwise specified by the Rules and if it is not a consequence of using the time-out, a member of Exchange holding the status of a market-maker for particular financial instruments must announce and/or maintain during the entire trading session at least one of its mandatory quotations for purchase and at least one of his mandatory quotations for sale on financial instruments of that title (taking into account aspects set out in the Rules and item 13 of these Regulations).
13. In case of suspension of trading in financial instruments of any titles conducted by the Exchange in accordance with the legislation of the Republic of Kazakhstan and/or internal documents of the Exchange or in case of a fault in the operation of the trading system, the fulfillment of market-makers' obligations in regard to financial instruments of those titles is suspended for the duration of such suspension (fault).

Chairman of Management Board

A. Aldambergen