KAZAKHSTAN STOCK EXCHANGE JSC

A p p r o v e d

by decision of the Management Board
of Kazakhstan Stock Exchange JSC

(minutes No. 147 of the meeting
of December 12, 2024)

Effective

as of January 5, 2025

R E Q U I R E M E N T S

for DMA systems of members of Kazakhstan Stock Exchange JSC and their use

city of Almaty

2024

These Requirements have been developed in accordance with the Rules for providing direct access to the trading system of Kazakhstan Stock Exchange JSC (hereinafter – the Exchange) and establish requirements for DMA systems of members of the Exchange and their use.

1. The DMA system used by a member of the Exchange must:

    1) broadcast to DMA clients in real time from the Exchange's trading system (taking into account the requirement established by item 2 of these Requirements):

        information about financial instruments circulating in the Exchange's trading system and their prices (according to current orders for concluding transactions and concluded transactions);

        information on the progress and results of trading in financial instruments circulating in the Exchange's trading system;

    2) allow DMA clients to:

        form customer orders;

        transmit customer orders in electronic form to a member of the Exchange for the purpose of carrying out procedures for registration, verification, accounting and execution of customer orders;

        record the exact time of transfer of client orders to a member of the Exchange;

    3) generate orders for concluding transactions in the Exchange's trading system based on client orders received by the member of the Exchange through the DMA system and registered by him, and submit such orders to the Exchange's trading system;

    4) provide DMA clients with accurate information in real time (taking into account the requirement established by item 2 of these Requirements):

        about the status of customer orders subject to registration, verification, audit and execution;

        on the statuses of orders generated by the DMA system based on client orders received by the member of the Exchange through the DMA system and registered by him;

        on the statuses and stages of confirmation of transactions concluded in the Exchange's trading system based on the specified orders;

        on the execution of the specified transactions or on the reasons for their non-execution;

        about positions and/or available (full or partial) security for submitting orders and/or concluding transactions in the Exchange's trading system;

    5) allow DMA clients, in accordance with the internal documents of the Exchange, to change the terms of orders generated by the DMA system based on client orders received by the member of the Exchange through the DMA system and registered by him, or to cancel such orders;

    6) allow a member of the Exchange to generate and send to DMA clients notifications of refusals to execute their client orders generated using the DMA system, indicating the reasons for such refusals[1];

    7) support the ability to maintain a log file, which reflects all operations on interaction with the Exchange's trading system, carried out using it, as well as their results (submission and withdrawal of orders, conclusion of transactions, receipt of information on the progress of trading, etc.);

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[1]   For example, due to a violation by a DMA client of the limit set for him, due to the cancellation of an order generated on the basis of a client order of a DMA client, due to the failure to execute a transaction that was concluded in the Exchange's trading system on the basis of an order generated on the basis of the client order of a DMA client.

8) provide for the possibility of recovery after emergency situations:

– interruption of the network connection to the trading system;

– restart of the DMA system during the trading day;

– restart of the trading system, requiring reloading of data;

– restart of the trading system without requiring reloading of data;

– switching to backup or duplicate servers for access to the trading system (it is possible to switch in "manual" mode).

2. The time interval between the moments of updating information on the gateway and on the DMA client's workstation in the DMA system must not exceed 60 seconds.

3. In addition to the requirements specified in items 1 and 2 of these Requirements, the DMA system used by a member of the Exchange must allow for the establishment of at least the following limits for DMA clients:

1) the maximum volume of one client order (in monetary units and/or in units of a financial instrument);

2) limits on deviations in prices of financial instruments specified in client orders;

3) maximum validity period of the DMA client's order;

4) other limits in accordance with the prohibitions, restrictions and special conditions established by the legislation of the Republic of Kazakhstan and internal documents of the Exchange.

4. The description of the DMA system used by a member of the Exchange must contain the following information (but not limited to):

1) about the operating system, database management systems and gateway used to operate the DMA system and connect it to the Exchange trading system;

2) about the performance indicators of the DMA system, including:

on the maximum number of orders that can be generated by the DMA system based on client orders received by a member of the Exchange through the DMA system and registered by him and submitted to the Exchange's trading system, in one second;

on the maximum number of DMA clients simultaneously served on one server of a member of the Exchange;

about the time period required to form a client order in the DMA system and activate the corresponding order in the Exchange's trading system;

about the time period required to transfer information from the Exchange's trading system to the DMA system or to the DMA client's workstation in the DMA system;

about the time interval between the moments of updating information on the gateway and on the DMA client's workstation in the DMA system;

3) on the conditions and procedure for copying, backing up and archiving data, ensuring the uninterrupted operation of the DMA system;

4) on the electronic digital signature and/or on the cryptographic information protection systems used in the DMA system to ensure the confidentiality and immutability of data transmitted and received by the DMA system (taking into account the requirement established by item 5 of these Requirements);

5) about the conditions and procedure:

control of starting and stopping the DMA system;

managing the connection of the DMA system to the Exchange's trading system and disconnection of the DMA system from the Exchange's trading system;

monitoring the state of the connection between the DMA system and the Exchange's trading system;

6) on the conditions for establishing and applying limits established in the DMA system in accordance with item 3 of these Requirements;

7) on the conditions and procedure for administration:

limits established in the DMA system in accordance with item 3 of these Requirements;

rights, prohibitions, restrictions, special conditions established in the DMA system in relation to a single DMA client;

settings of the procedures for processing DMA clients' orders;

8) on the conditions and procedure for the implementation by a member of the Exchange of procedures for registration, verification, accounting and execution of client orders received by him through the DMA system;

9) about the functions supported by the DMA system, for example, about the groups of financial instruments to which DMA clients are provided direct access, about the types of orders that can be generated by the DMA system based on client orders received by the member of the Exchange through the DMA system and registered by him, about the types of news, charts, alerts (notifications) transmitted (provided) to DMA clients through the DMA system;

10) explanatory materials (diagrams, drawings, screenshots) for individual pieces of information from among those provided for in this item;

11) other information that allows for an objective assessment of the DMA system and the level of its compliance with the legislation of the Republic of Kazakhstan and the internal documents of the Exchange.

5. In the event that an electronic digital signature registered in accordance with the legislation of a state other than the Republic of Kazakhstan is used in the DMA system, a member of the Exchange is obliged, at the first request of any interested party, to provide it with information about this signature and its registration, and also to provide it with a copy of the registration certificate confirming such registration for review and/or copying.

6. Responsibility for the timely introduction of changes and/or additions (updating) to these Requirements rests with the trading division.

7. These Requirements shall be updated as necessary. These Requirements shall be reviewed for the need for updating at least once every 36 months, calculated from the effective date of these Requirements, and in the event of their updating – from the effective date of the latest changes/additions.

Chairman of the Management Board   A. Aldambergen