

# KAZAKHSTAN STOCK EXCHANGE JSC

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

following a decision of Management Board  
of Kazakhstan Stock Exchange JSC

(minutes No.147 of the meeting  
dated November 29, 2019)

## **Effective as of**

December 3, 2019

### **NOTICE**

The Rules have been translated into English by employees of Kazakhstan Stock Exchange solely for information purposes. In case of any incompliance of this translation with the Rules' original in Russian, the Russian version prevails.

## **RULES** **of market-maker activities**

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Almaty

2019

## LIST OF AMENDMENTS

**1. Changes and addition No. 1:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No. 78 of the meeting on June 9, 2020);
- effective from the date of commissioning of the second release of the trading and clearing system ASTS+ on the stock market.

**2. Changes and additions No. 2:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No. 89 of the meeting on June 30, 2020);
- effective from July 1, 2020.

**3. Changes and additions No. 3:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No. 96 of the meeting on July 14, 2020);
- effective from July 29, 2020.

**4. Addition No. 4:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No. 117 of the meeting on August 27, 2020);
- effective from August 28, 2020.

**5. Change and addition No. 5:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No. 123 of the meeting on September 10, 2020);
- effective from September 11, 2020.

**6. Changes and addition No. 6:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No. 144 of the meeting on October 29, 2020);
- effective from October 30, 2020, with the exception of amendments to Appendix 4 of these Rules, the coming into effect of which is established from November 12, 2020.

**7. Changes and addition No. 7:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No. 159 of the meeting on December 3, 2020);
- effective from December 4, 2020.

**8. Changes and additions No. 8:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No. 162 of the meeting on December 11, 2020);
- effective from December 14, 2020.

**9. Change No. 9:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No. 17 of the meeting on February 23, 2021);
- effective from February 24, 2021.

**10. Change No. 10:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No.44 of the meeting on April 29, 2021);

- effective from April 30, 2021.

**11. Change No. 11:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No.56 of the meeting on June 8, 2021);
- effective from June 9, 2021.

**12. Change No. 12:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No.65 of the meeting on July 1, 2021);
- effective from July 7, 2021.

**13. Change and additions No. 13:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No.116 of the meeting on November 4, 2021);
- effective from November 5, 2021.

**14. Change and additions No. 14:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No.15 of the meeting on February 1, 2022);
- effective from February 2, 2022.

**15. Change No. 15:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No.20 of the meeting on February 16, 2022);
- effective from February 17, 2022.

**16. Change and additions No. 16:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No.43 of the meeting on March 31, 2022);
- effective from February 28, 2022.

**17. Additions No. 17:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No.89 of the meeting on July 21, 2022);
- effective from July 25, 2022.

**18. Changes No. 18:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No.99 of the meeting on August 18, 2022);
- effective from August 19, 2022.

**19. Changes and additions No. 19:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No.3 of the meeting on January 18, 2023);
- effective from January 18, 2023.

**20. Changes and additions No. 20:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No.64 of the meeting on July 01, 2023);
- effective from July 03, 2023.

**21. Changes and additions No. 21:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No.47 of the meeting on April 17, 2024);
- effective from June 01, 2024.

**22. Changes and additions No. 22:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No.60 of the meeting on May 27, 2024);
- effective from June 01, 2024.

**23. Changes No. 23:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No.113 of the meeting on September 30, 2024);
- effective from October 01, 2024.

These Rules have been developed in accordance with the requirements of the Regulations on market-makers, approved by the Board of Directors of Kazakhstan Stock Exchange JSC (hereinafter – the Regulations), determine the conditions and procedure of assigning by Kazakhstan Stock Exchange JSC (hereinafter – the Exchange) to members of the Exchange of the market-maker status, conditions and procedure of the voluntary refusal of the market-maker status or the forced stripping of such status, the specification of market-makers and their responsibility for non-fulfillment or violation of the obligations of a market-maker.

**Article 1. General provisions**

1. Terms used in these Rules are identical to those determined in other internal documents of the Exchange or laws of the Republic of Kazakhstan.
2. Parameters of mandatory quotations of market makers, conditions of their announcement and maintenance, responsibility of market makers, procedure of determination of his encouragement at rendering of market maker's services, as well as other terms of market makers activity and interaction between them and the Exchange are set by these Rules, including their appendixes (specifications of market makers).

For purposes of increasing liquidity on particular exchange markets or on particular financial instruments the Exchange may conclude with its members individual agreements on rendering market maker services (hereinafter - the Agreement) based on the decision of the Exchange Management Board according to the approved by it standard form of such agreement. If there is an Agreement between the Exchange and its member on rendering market maker services in relation to a particular financial instrument or group of financial instruments, relations between the Exchange and such Exchange member when rendering market maker services on that financial instrument or group of financial instruments are regulated by the said Agreement.

These Rules are applicable to the relations between the Exchange and such Exchange member only to the extent not regulated by the said Agreement.

*(This item was changed by the decision of the Exchange Management Board of February 1, 2022)*

**Article 2. Conditions and procedure of assigning the status of market-maker and refusal to assign it**

1. The status of a market maker is assigned to an Exchange member by the Exchange Management Board *(this item was changed by the decisions of the Exchange Management Board of June 9, 2020 and June 8, 2021)*.
2. The status of a market maker is assigned for financial instruments of any type according to the conditions stipulated by the Regulations, these Rules and/or the Agreement *(this item was changed by the decision of the Exchange Management Board of February 1, 2022)*.
3. To obtain the status of a market maker on financial instruments of any denomination, the Exchange member provides an application according to the form of Appendix 1 or, in case of conclusion of the Contract, Appendix 1-1 to these Rules three working days before the day from which this Exchange member plans to start market maker activities on financial instruments of this denomination. *(this item was changed by the decision of the Exchange Management Board of February 1, 2022)*.
4. Within three working days from the date of receipt of the Exchange member's application on assignment of the market maker status on financial instruments of any denomination, the Exchange sends to the Exchange member a notice on assignment of the market-maker status on financial instruments of that denomination or a motivated refusal in assignment of that status (taking into

account specifics, established by the second paragraph of this item, and except as specified in item 3 of this article).

The decision of the Exchange's Management Board to assign a member of the Exchange the status of a market maker for financial instruments of any name newly included in the Exchange's official list (allowed for circulation on the Exchange) is made within three working days from the effective date of the Exchange's Management Board on inclusion financial instruments of this name to the Exchange's official list (admission to circulation on the Exchange), but no later than the date of opening of trading in financial instruments of this name *(this paragraph was changed by the Exchange Management Board decisions of April 17, 2024)*.

A decision of the Exchange Management Board on assignment to an Exchange member the status of a market-maker on financial instruments of any denomination must contain a record on the day of activation of that status, i.e. on the day, with the occurrence of which this Exchange member is entrusted with the duties of a market-maker on financial instruments of this denomination. At that the day of activation of that status is determined by the Exchange based on terms of that Exchange member's application on assignment to him of the market-maker status on financial instruments of that denomination.

The notification sent by the Exchange to its member on assignment of the status of market-maker on financial instruments of any denomination must contain a record on the day of activation of the said status.

*(This item was changed by the Exchange Management Board decisions of June 9, 2020 and June 8, 2021).*

5. If by the decision of the Exchange Management Board the Exchange member is deprived of the market-maker status on financial instruments of any denomination (including due to a voluntary refusal of the said status), a new application of this Exchange member on assignment of the market-maker status on financial instruments of this denomination is considered by the Exchange after 30 trading days from the date of the said decision. *(this item was changed by the decisions of the Exchange Management Board of June 9, 2020 and June 8, 2021)*.
6. The Exchange refuses to assign to a member of the Exchange the status of a market-maker for particular financial instruments for any of the following reasons:
  - 1) non-compliance of the application of that member of the Exchange for said status with the form specified in Appendix 1 hereto;
  - 2) non-compliance of that member of the Exchange within 12 consecutive months before the day the Exchange received the application for assigning to him said status, with regulations of the Republic of Kazakhstan on the securities market and/or internal documents of the Exchange in terms of manipulations on the security market and/or unfair conduct, and/or unlawful use of insider information;
  - 3) *(this sub-item is excluded by a decision of the Exchange Management Board of February 16, 2022)*.
7. In addition to the grounds stipulated by paragraph 6 of this article, the Exchange may refuse to grant to the Exchange member the status of a market maker on financial instruments of any denomination if:
  - 1) systematically repeated (two or more times within 12 consecutive months) cases of non-fulfillment by the Exchange member of the market-maker obligations on any financial instrument (as a case of non-fulfillment of the market-maker obligations is defined by the second paragraph of item 1 of article 6 of these Rules);

- 2) this Exchange member fails to comply with any requirements, prohibitions, restrictions and special conditions established by the Regulations within 12 consecutive months prior to the date of receipt by the Exchange of the application for assignment of the said status and special conditions established by the Regulations and these Rules

*(This item was changed by the decisions of the Exchange Management Board dated February 1, 2022 and February 16, 2022).*

8. If the Management Board of the Exchange decides to grant a member of the Exchange status of a market maker for financial instruments of any denomination, the Exchange shall post the decision on the Internet resource of the Exchange ([www.kase.kz](http://www.kase.kz)) *(this item was changed by the decisions of the Exchange Management Board of June 9, 2020, of June 8, 2021 and of January 18, 2023).*

**Article 3. Conditions and procedure of voluntary waiver of the market-maker status by a member of the Exchange**

1. A member of the Exchange may voluntarily relinquish the market-maker status provided the total continuous operation time of that member of the Exchange as a market-maker for particular financial instruments makes up at least 30 trading days after the day of decision on assignment of the status of a market-maker for the respective financial instrument to that member of the Exchange, except for government securities for which such term of operation as a market-maker makes up 10 trading days.
2. To voluntarily relinquish the status of a market maker on financial instruments of any denomination, the Exchange member provides a written notice in any form indicating the reason for relinquishment signed by an authorized member of the executive body of this Exchange member (person individually performing functions of the executive body of this Exchange member), sealed (if available) by this Exchange member and containing the record on the preferred day, with the occurrence of which this Exchange member intends to terminate execution. At the same time such preferred day is determined by this Exchange member independently, based on conditions of paragraphs 1 and 3 of this article *(this item was changed by the decision of the Exchange Management Board of November 4, 2021).*
3. Irrespective of the date of notice by a member of the Exchange on the voluntary relinquishment of the status of a market-maker for particular financial instruments and irrespective of the preferred day specified by that member of the Exchange, upon the onset of which he would like to discontinue acting as a market-maker for those financial instruments, that member of the Exchange must execute duties of a market-maker for those financial instruments for at least three trading days after the date of registration by the Exchange of the original of said notification as incoming correspondence.
4. Within three working days from the date of receipt of the Exchange member's original notification on voluntary renunciation of the market-maker status in financial instruments of any denomination, the Exchange shall send to that Exchange member a notice on withdrawal of his market-maker status in financial instruments of that denomination due to his voluntary renunciation of the said status.

Deprivation of the market-maker status of an Exchange member in case of his voluntary withdrawal from that status shall be accepted by the Exchange Management Board, provided that the conditions stipulated by these Rules are met.

A decision of the Exchange Management Board on deprivation of its member of the status of a market-maker in financial instruments of any denomination due to voluntary renunciation of that status must contain a record on the day of deactivation of that status, i.e. the day from coming of which that Exchange member is released from execution of duties of a market-maker in financial instruments of that denomination. At that the day of deactivation of that status is determined by the Exchange based on conditions of items 1 and 3 of this article, taking into account the preferred day determined by that Exchange member, with coming of which he intends to stop fulfilling the duties of a market-maker on financial instruments of that denomination.

The notice sent by the Exchange to its member on withdrawal of its status of a market-maker on financial instruments of any denomination due to voluntary withdrawal of the said status shall contain a record on the day of deactivation of the said status.

*(This item was changed by the Exchange Management Board decisions of June 09, 2020 and June 8, 2021).*

5. If the Management Board of the Exchange makes decision to deprive a member of the Exchange of its status of a market maker for financial instruments of any denomination due to voluntary waiver of this status, the Exchange shall post the decision on the Internet resource on the day of sending this member of the Exchange a notice of deprivation of such status ([www.kase.kz](http://www.kase.kz)) *(this item was changed by the decisions of the Exchange Management Board of June 09, 2020, June 8, 2021 and of January 18, 2023).*
6. In addition to the requirements set forth in this Article, in case of execution of the Contract, the Exchange member shall be obliged to comply with the procedure and terms for termination of the Contract set forth in the Contract *(this item was included by a decision of the Exchange Management Board of February 1, 2022).*

#### **Article 4. Conditions and procedure of compulsory withdrawal of the market-maker status**

1. The Exchange Management Board may take a decision on compulsory withdrawal of the Exchange member's market-maker status in financial instruments of any denomination, if one or more of the following grounds arise *(this paragraph was amended by the decisions of the Exchange Management Board dated June 9, 2020 and June 8, 2021)*:
  - 1) changes in the legislation of the Republic of Kazakhstan or internal documents of the Exchange, emergence of situations impeding the circulation of those financial instruments, which make the further operation of this member of the Exchange as a market-maker for those particular financial instruments impossible;
  - 2) incompliance of that member of the Exchange with legal norms of the Republic of Kazakhstan, internal documents of the Exchange or ethical norms of members of the Exchange;
  - 3) when performing the duties of a market maker for securities – the presence of cases of violation and/or a case of non-fulfillment by this member of the Exchange of his duties as a market maker for any securities (as cases of violation and failure to fulfill the duties of a market maker are defined in items one and two of item 1 of Article 6 of these Rules) *(this sub-item was changed by decisions of the Exchange Management Board of February 1, 2022 and April 17, 2024);*



- 3-1) when performing the duties of a market maker for repo transactions with general collateral certificates (hereinafter – repo transactions with GCC) – there is more than one case of failure by this member of the Exchange to fulfill his duties as a market maker for repo transactions with GCC ) *(this sub-item was included by a decision of the Exchange Management Board of April 17, 2024)*;
- 4) incompliance of that member of the Exchange with requirements, prohibitions, restrictions, special conditions specified in the Regulations and these Rules.
2. A decision of the Exchange Management Board on compulsory deprivation of its member of the market-maker status in financial instruments of any denomination must contain a record on the day of deactivation of that status, i.e. on the day when this Exchange member is released from the duties of a market-maker on financial instruments of this denomination. At that the day of deactivation of the indicated status is determined by the Exchange independently, based on the fact that such day must not precede the day of making such a decision *(this item was changed by the decisions of the Exchange Management Board of June 09, 2020 and June 8, 2021)*.
3. Within three business days from the date of the decision to forcibly deprive a member of the Exchange of its status of a market maker for financial instruments of any denomination, the Exchange shall send a notice to this member of the Exchange about forcible deprivation of its status of a market maker for financial instruments of this denomination and post information on such forced deprivation of the member of the Exchange of its status of a market maker on the Internet resource of the Exchange (www.kase.kz) *(this item was changed by the decisions of the Exchange Management Board of June 09, 2020 and of January 18, 2023)*.
4. The Exchange Management Board's decision to forcibly deprive an Exchange member of the market-maker status on financial instruments of any denomination may be appealed by the Exchange member to the Exchange Board of Directors within 30 working days from the date of the decision of the Exchange Management Board on the basis of an arbitrary application submitted by him to the Exchange.

An appeal against the decision of the Exchange Management Board shall not suspend the decision of the Exchange Management Board.

*(This item was changed by blue Exchange Management Board decisions of June 09, 2020 and June 8, 2021)*

## **Article 5. Standards of market-makers' activities**

1. Taking into account the requirements of item 12 of the Regulations, the following additional requirements to the quotations supported by the market maker throughout the trading session shall be established:
  - 1) the volume of the mandatory quotation/quantity of the financial instrument must (should) make not less than a value fixed by these Rules or the Agreement *(this sub-clause was amended by the decisions of the Exchange Management Board of February 1, 2022 and of January 18, 2023)*;
  - 2) the spread shall not exceed the value set by these Rules or the Contract, except if the value of such spread is changed in accordance with in accordance with these Rules or the terms of announcement and maintenance of mandatory quotations do not provide for observance of the spread value *(this sub-clause was amended by the decision of the Exchange Management Board of February 1, 2022, March 31, 2022)*;

- 3) mandatory quotations can be announced and maintained by a particular member of the Exchange on his own account, as well as on account of his clients in accordance with their instructions (taking into account the specifics set out in sub-item 4) of this item);
  - 4) at announcement of mandatory quotations that member of the Exchange is prohibited to use trading accounts controlled through the Control and Collateral System *(this sub-item was changed by a decision of the Exchange's Management Board of December 3, 2020)*.
  - 5) a member of the Exchange who has the status of a market-maker for financial instruments of a particular title is not entitled to submit iceberg orders in fulfillment of his duties for a financial instrument of this title *(this sub-item was included by a decision of the Exchange's Management Board of December 3, 2020)*.
2. If not otherwise specified in these Rules, an order of a member of the Exchange for purchase (sale) of particular financial instruments he is submitting to the trading system in pursuance of his market-maker obligations on those financial instruments, must be marked by that member of the Exchange as a mandatory quotation or a market-maker's order.

In case a member of the Exchange holding the status of a market-maker for particular financial instruments has not marked the order for purchase (sale) of particular financial instruments as a mandatory quotation or the market-maker's order, such order will not be recognized by the trading system as one submitted by that member of the Exchange in pursuance of his market-maker obligations on those financial instruments.

3. A member of the Exchange who has the status of a market maker for financial instruments of particular name has the right to change the price (yield) indicated in the mandatory quotation announced by him, subject to the spread established by these Rules or the Agreement *(this item was changed by decisions of the Exchange Management Board of February 1, 2022 and April 17, 2024)*.
- 3-1. A member of the Exchange who has the status of a market maker for repo transactions with GCC, during a trading session, has the right to maintain unilateral or bilateral mandatory quotes, subject to compliance with the requirements established by these Rules *(this item was included by a decision of the Exchange Management Board of April 17, 2024)*.
4. The Exchange member, who has the status of a market-maker on financial instruments of any denomination, has the right to use a time-out during the trading session, the maximum total duration of which is established by these Rules or the Agreement *(this paragraph was changed by the decision of the Exchange Management Board of February 1, 2022)*.

If not otherwise specified in these Rules, the time-out can be used during the trading session piece by piece.

During the trading session the counting of the actual length of the time-out used by the member of the Exchange holding the status of a market-maker for particular financial instruments, begins from the moment of emergence of a situation when that member of the Exchange fails to fulfill any of his obligations (set of obligations) of the market-maker for those financial instruments, is suspended at the moment of correction of that situation, and is continued from the moment of occurrence of each of the consecutive situations of failure of that member of the Exchange to fulfill any of said obligations (set of obligations) and is suspended at the moment of correction of such new situation.

5. A market-maker for securities of any denomination shall have the right to refuse to further announce and/or maintain mandatory quotations for securities of this denomination during a trading day (except for the case when the Exchange has extended a maximum value for this market-maker spread for mandatory quotations for these securities subject to clause 6 of this article), if a deviation of

the price of the last closed transaction in securities of this denomination from the closing price for them on the previous trading day or, in the absence of a closing price for securities of this denomination on the previous trading day, from the opening price for them on the current trading day exceeds the following value *(this paragraph was changed by the decision of the Exchange Management Board of July 01, 2023)*:

- 1) 5.0 percentage points of yield on debt securities (excluding debt securities traded in "dirty" prices);
- 2) 7.0% on debt securities traded at "dirty" prices;
- 3) 7.0% on equity securities, mutual fund units, ETF securities and global depositary receipts.

*(This item was included by a decision of the Exchange's Management Board dated 31 March of 2022)*

6. In case of occurrence of circumstances, as a result of which a member of the Exchange cannot properly discharge obligations of a market-maker for any securities in terms of compliance with a maximum spread value, or may incur financial or other losses as a result of proper discharge of such obligations, this member of the Exchange shall have the right to apply in writing to the Exchange with a request for temporary expansion (increase) of the maximum value of the spread for mandatory quotations for securities of this denomination, established by the specification applicable to this market-maker or the Agreement.

Based on this request, members of the Management Board supervising the trading division and the information and statistics division, on behalf of the Exchange, shall have the right to make an agreed decision on expanding (increasing) the maximum spread value for mandatory quotations for these securities for a period not exceeding 10 trading days from the date of the request of the market-maker, taking into account specifics established by the specification applicable to this market-maker or the Agreement.

Upon expiry of the period established by paragraph two of this clause, the market-maker shall have the right to send once again the Exchange a request to expand (increase) the maximum spread value for mandatory quotations for securities of this denomination.

The expansion (increase) of the maximum value of the spread for mandatory quotations established by the Agreement shall be carried out without entry into an addendum to such Agreement.

If the Exchange considers that a written request of the market-maker lacks sufficient grounds for expanding (increasing) the maximum spread for mandatory quotations, the Exchange shall have the right to refuse to expand such spread.

The mechanism for expanding (increasing) the maximum value of the spread for mandatory quotations for securities, applied in case of a positive decision of the Exchange, shall be set out in the specification of the market-maker for securities.

*(This item was included by a decision of the Exchange's Management Board dated 31 March of 2022 and was changed by the decision of the Exchange Management Board of July 01, 2023)*

7. In cases, stipulated by items 5 and 6 of this Article, the market-maker has the right to receive a discount on payment of commission fees of the Exchange, provided there are no other grounds for refusal to receive it, established by these Rules, and is deprived of the right to receive a fee for the period of validity of these items in the amount, set by the specification of the market-maker on securities and/or the Contract *(this item was included by a decision of the Exchange's Management Board dated 31 March of 2022)*.

**Article 5-1. Procedure for selecting a market maker under the Contract**

1. Conclusion of the Contract, first of all, is offered to the acting market-maker on a financial instrument.
2. If there is no active market maker or it refuses to provide market maker services under the Contract, the market maker under the Contract shall be selected by way of request for proposals.  
  
The best offer is the offer of the Exchange member, which contains the narrowest spread on a financial instrument.
3. The announcement of the request for proposals for market maker services is sent by the Issuer and Investor Relations unit to the Exchange members by e-mail, specifying the offered financial instruments, spread values and cost of services, as well as the date the date and time of closing of applications acceptance.
4. The application of a potential market maker is sent to customers@kase.kz and must contain an indication of the selected financial instrument and a spread offer.
5. On the deadline day, the Issuer and Investor Relations Department collects orders and analyzes proposals.
6. Within one business day after the deadline for submission of orders, the Issuer and Investor Relations Department draws up a protocol of the request for proposals, indicating the best offer.
7. In case several identical proposals are received, the division for work with issuers and investors conducts a repeated request for proposals among Exchange members, who sent identical proposals, in accordance with the procedure stipulated by sub-items 3)-6) of this article.
8. The contract is concluded with the Exchange member who sent the best offer, in the absence of grounds for refusal to assign the market maker status, in accordance with the procedures established by the Exchange internal documents.

*(This article was included by a decision of the Exchange's Management Board dated 31 March of 2022)*

**Article 6. Responsibility for failure to fulfill or violation of market-maker's obligations**

1. Four purpose of differentiating the improper fulfillment of the market-maker's obligations, the Exchange makes distinction between cases of non-fulfillment and violation of the market-maker's obligations.

A case of the market-maker's failure to fulfill his obligation is the situation when the market-maker for particular financial instruments fails to announce and/or maintain quotations for purchase and sale of those financial instruments during the entire trading session (with exceptions defined in items 4 of article 5 of these Rules and item 13 of the Regulations).

The case of market maker violation of his obligation is the situation when the market maker on financial instruments of any denomination does not comply with any of requirements, prohibitions, restrictions and special conditions, established in the main text of these Rules and in the specification of market maker applicable to this Exchange member (with exceptions, established by item 4 of article 5 of these Rules and item 13 of the Regulations, and situation, which falls under the definition, given in paragraph two of this item) and/or the Contract *(this paragraph was changed by the decision of the Exchange Management Board of February 1, 2022)*.

2. In case of failure to fulfill or violation of the duties (obligations) of a market maker by a member of the Exchange who has the status of a market maker for financial instruments of particular name (except for a market maker for repo transactions with GCC), within a calendar month the following sanctions are applied to this member of the Exchange, unless otherwise provided by the Agreement *(this paragraph was changed by decisions of the Exchange Management Board of July 01, 2023 and April 17, 2024)*:

for the first violation of the obligation within one calendar month, the market maker loses the right to the commission fee privileges stipulated by the specifications;

for the second breach of duty within one calendar month, the market maker shall lose its right to receive remuneration, if such remuneration is provided for by the specification or the Agreement, otherwise, for the second breach of duty, provisions established by paragraph four of this clause shall be applied *(this paragraph was changed by the decision of the Exchange Management Board of January 18, 2023)*;

for subsequent violations or a failure to discharge any obligation of a market-maker within one calendar month, the Management Board of the Exchange shall have the right to decide to forcibly deprive this member of the Exchange of its status of market-maker subject to article 4 of these Rules *(this paragraph was changed by the decision of the Exchange Management Board of July 01, 2023)*.

*(This paragraph was amended by decisions of the Exchange Management Board dated June 9, 2020, June 8, 2021 and February 1, 2022).*

- 2-1. In the event of a violation of the duties (obligations) of a market maker by a member of the Exchange who has the status of a market maker for repo transactions with the GCC, during a trading session, this member of the Exchange loses the right to the benefit provided for in the specification for the payment of the Exchange's commission fees on transactions, concluded during this trading session.

In case of failure to fulfill the duties (obligations) of a market maker by a member of the Exchange who has the status of a market maker for repo transactions with GCC, the following sanctions are applied to this member of the Exchange:

for the first failure to fulfill the duties (obligations) of a market maker within one calendar month, this member of the Exchange loses the right to the benefit provided for by the specification in paying the Exchange's commission fees for transactions concluded during a given trading session;

for a subsequent case of failure to fulfill the duties (obligations) of a market maker within one calendar month, the Exchange's Management Board has the right to decide to forcibly deprive this member of the Exchange of the market maker status in accordance with Article 4 of these Rules.

*(This item was included by a decision of the Exchange Management Board dated April 17, 2024).*

3. The decision to apply a sanction to a member of the Exchange from among those specified in clause 2 of this article or stipulated by the Agreement shall be made by the Exchange Board based on results of study of all circumstances of occurrence and development of a situation that falls under the definition given in paragraphs two and three of clause 1 of this article *(this paragraph was changed by the decisions of the Exchange Management Board of February 1, 2022 and July 01, 2023)*.

In this case, the sanction providing for the loss of the privilege of payment of commission fees and payment of remuneration by the Exchange shall be unconditionally applied according to the specification of the market maker applicable to this Exchange member or according to the terms and conditions of

the Agreement *(this paragraph was changed by the decision of the Exchange Management Board of February 1, 2022)*.

In the course of consideration of circumstances in accordance with paragraph one of this item, the Exchange Management Board shall study all orders submitted by the Exchange member to the trading system, including those not marked by this Exchange member as mandatory quotes or market maker orders.

*(This item was changed by the decisions of the Exchange Management Board of June 09, 2020 and June 8, 2021).*

4. The Management Board shall have the right (including in case provided for by paragraph two of clause 3 of this article) to decide not to apply to the market-maker a sanction from among those specified in clause 2 of this article or provided for by the agreement in case of force majeure circumstances that impede good faith and full discharge by the market-maker of its obligations and compliance with prohibitions, restrictions, special conditions established by these Rules or the Agreement. Force majeure shall mean any extraordinary and unavoidable circumstances under the given conditions that are not subject to reasonable control by the Exchange, including but not limited to, the listed, war, military or terrorist actions, actions of public authorities, coup d'état, fire, natural disasters and other circumstances that the market-maker could not foresee and which directly affected the ability of the market-maker to discharge his obligations in good faith and in full, established by these Rules or Agreement *(this item was included by a decision of the Exchange Management Board of February 1, 2022 and was changed by the decision of the Exchange Management Board of July 01, 2023)*.

#### **Article 7. Final provisions**

1. Issues not regulated by these Rules are resolved in accordance with the laws of the Republic of Kazakhstan, internal documents of the Exchange, as well as decisions of the Exchange's bodies, which are made in the prescribed manner within their competence.
2. Responsibility for the timely making of amendments and/or additions to these Rules (updating) lies with the Trading Department.
3. These Rules are subject to updating upon necessity, but at least once every five years, calculated from the date of putting into effect of these Rules.



**Appendix 1**

to the Rules of market-maker activities

Kazakhstan Stock Exchange JSC

*(This appendix was amended by the Exchange Management Board decisions of October 29, 2020 and July 1, 2021)*

**APPLICATION**  
**for assigning the market-maker status**

We hereby request to assign [insert the full name of the applicant] status of a market maker for [insert the name of financial instruments, indicating the available identification details and the currency of trading<sup>1</sup>] from [insert the date] subject to terms and conditions of scheme No. \_\_\_\_ table No. \_\_\_\_ [indicate the number of the scheme and table of the corresponding specification of market maker or annex to such specification, if any] *(this paragraph was changed by the decisions of the Exchange Management Board of November 4, 2021 and of January 18, 2023).*

Account, from which mandatory quotations of the market-maker will be announced and maintained in fulfillment of his duties - [specify own or client account]<sup>1</sup>.

We confirm that we have read the internal documents of the Exchange "Regulations on Market Makers" and "Rules of Market Makers' Activities", including the obligations and obligations arising from our status as a market maker in the above financial instruments and our responsibility as such a market maker.

We undertake to announce and maintain mandatory quotations on the above financial instruments in accordance with the said Regulations on Market Makers and other obligations arising from our status as a market maker on the above financial instruments.

Position

[signature]

Surname, initials

[stamp (if available)]

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<sup>1</sup> The trading account from which the mandatory quotations will be announced and maintained in fulfillment of the market maker's duties shall be specified in case of application for assignment of the market maker's status under the futures *(this footnote was included by the decision of the Exchange Management Board of July 1, 2021, the numbering of this footnote was changed by the decision of the Exchange Management Board of November 4, 2021).*

**Appendix 1-1**  
to the Rules of Market  
Maker Activities

*(This appendix was included by decision of the Exchange Management Board of February 1, 2022)*

**APPLICATION**  
**on assignment of market maker status**  
**on the basis of the Market Maker Service Agreement**

We hereby request that [insert full name of the applicant] be assigned market maker status on [insert name of financial instruments with available identification details] from [insert date] in accordance with the terms and conditions of the Market Maker Services Agreement No. \_\_\_\_\_ dated \_\_\_\_\_ (hereinafter referred to as the Agreement).

We confirm that we have read the internal documents of the Exchange "Regulations on Market Makers" and "Rules of Market Makers' Activities", including the obligations and obligations arising from our status as a market maker and our responsibility as such a market maker.

We undertake to announce and maintain, in accordance with the Market Maker Regulation and the Market Maker Service Agreement, the mandatory quotations and other obligations arising from our status as a market maker in the above financial instruments.

Position

[signature]

Surname, initials

[stamp (if any)]



**Appendix 2**

to the Rules of market-maker activities

**SPECIFICATION**

**of the market maker for financial instruments of the stock market**

*(This heading was changed by a decision of the Exchange's Management Board of April 17, 2024)*

**Part 1. REQUIREMENTS FOR MANDATORY QUOTATIONS**

- 1.1. Mandatory quotes for financial instruments of the stock market (hereinafter for the purposes of this Specification – financial instruments) are maintained in the trading system throughout the entire trading day (taking into account the features established by paragraph two of this item and part 2 of this Specification, and with the exception, established by paragraph three of this item).

The market maker for units of a unit investment trust, of which he is the management company, begins to announce and maintain mandatory quotes two trading days from the date of commencement of the functions of a market maker for such units.

Mandatory quotes for one-day repo transactions with GCC are maintained in the trading system from 11:30 to 15:00 Almaty time, if the parameters of such mandatory quotes comply with the conditions of scheme 2.

*(This item was changed by decisions of the Exchange's Management Board of February 23, 2021, April 17, 2024 and May 27, 2024)*

- 1.2. Unless otherwise established by a decision of the Board of Directors of the Exchange in relation to financial instruments of particular individual names, the market maker announces and maintains mandatory quotes (at his choice) in accordance with the conditions of schemes 1, 2, 3 or 4, established by the appendix to this Specification *(this item was changed by decisions of the Exchange Management Board dated June 30, 2020, October 29, 2020, April 29, 2021 and April 17, 2024)*.

- 1.2-1. Number of ETF securities of the Investment Fund Securities / global depositary receipts sector, settlements on transactions with which are carried out in USD, announced and supported by the market subject to condition of scheme 1 table 2 annex 1 to this Specification, shall be calculated on a weekly basis on the first business day of the calendar week according to the following algorithm *(this paragraph was changed by decision of the Exchange Management Board dated January 18, 2023)*:

- 1) until 09:30 Almaty time, the information and statistics division of the Exchange fixes the closing price of the ETF securities of the "Securities of investment funds" sector / global depositary receipts, established on the last business day preceding the first business day of the current calendar week on the London Stock Exchange, published on the terminal information system Bloomberg; in the absence of such information on the Bloomberg terminal or its inoperability, websites that are trustworthy in terms of the reliability and relevance of the closing prices published on them are used as backup sources of such information;
- 2) the closing price received in accordance with sub-item 1) of this clause for ETF securities of the "Securities of investment funds" sector/global depositary receipts is transferred to the Exchange's trading division, which calculates the number of ETF securities of the "Securities of investment funds" sector / global depositary receipts according to the following formula:

$$K = \frac{2\,000 \times MCI}{P \times R}, \text{ where}$$

- K – the number of ETF securities in the "Securities of Investment Funds" sector / global depository receipts, rounded up;
  - MCI – the monthly calculation indicator for calculating pensions, benefits and other social payments, as well as for applying penalties, taxes and other payments in accordance with the legislation of the Republic of Kazakhstan, the value of which is established by the laws of the Republic of Kazakhstan on the republican budget for the relevant years;
  - P – the closing price obtained in accordance with sub-item 1) of this item;
  - R – the official exchange rate of the national currency established by the National Bank of the Republic of Kazakhstan on the day of settlements;
- 3) the number of ETF securities of the "Securities of investment funds" sector / global depository receipts received in accordance with sub-item 2) of this item is entered into the information system of the Exchange and 60 minutes before the opening of trading in these ETF securities of the "Securities of investment funds" sector / GDRs are sent to the market maker via e-mail.

*(This item was included by a decision of the Exchange Management Board of June 30, 2020 and amended by the decisions of the Exchange Management Board of December 11, 2020, November 4, 2021 and August 18, 2022)*

1.2-2. Number of securities included in the KASE Global sector, announced and supported by the market maker subject to conditions of schemes 1 and 2 table 2 annex 1 to this Specification, shall be calculated on a monthly basis on the first business day of each calendar month according to the following algorithm *(this paragraph was changed by decision of the Exchange Management Board dated January 18, 2023)*:

- 1) before 09:30 a.m. Almaty time the Exchange's information and statistics division records the closing price of securities on the last business day preceding the first business day of the calendar month on the New York Stock Exchange, published on the Bloomberg information system terminal; in case such information is not available on the Bloomberg terminal or it is inoperative, websites trustworthy in terms of reliability and timeliness are used as backup sources of such information and up-to-date closing prices published thereon are used as backup sources of such information.;
- 2) the closing price of securities received in accordance with subparagraph 1) hereof shall be transferred to the trading unit, which shall calculate the number of securities according to the following formula:

$$K = \frac{10\,000\text{ USD}}{P}, \text{ where}$$

- K – number of securities rounded upwards;
  - P – the closing price received in accordance with subparagraph 1) of this paragraph;
- 3) the number of securities received in accordance with sub-clause 2) hereof shall be entered into the Exchange information system and sent to the market-maker by e-mail 60 minutes prior to the opening of trading in these securities.

*(This item was included by the decision of the Exchange Management Board of November 4, 2021)*

1.2-3. Number of units of a unit investment fund declared and supported by the market maker subject to the condition of scheme 1 table 2 annex 1 to this Specification, shall be calculated on a weekly basis on the first business day of the calendar week according to the following algorithm:

- 1) before 09.30 a.m. Almaty time, the market maker shall inform the Exchange by e-mail of the total number of units in circulation as of the current time, while this market maker shall be responsible the accuracy and reliability of such information;
- 2) the trading division of the Exchange shall calculate the number of units according to the following formula:

$$K = (n * 10\%) / 10, \text{ where}$$

- K – number of units rounded up;
- N – the total number of units in circulation based on data provided by the market maker subject to sub-cause 1) of this cause;
- 3) information about the number of units calculated subject to sub-clause 2) of this clause, shall be entered into the information system of the Exchange and 60 minutes before the opening of trading in these securities it shall be sent to the market maker by e-mail.

*(This item was included by the decision of the Exchange Management Board of January 18, 2023)*

- 1.3. To move from one scheme of announcement and maintaining of mandatory quotes to another the market-maker must five working days before the beginning of the calendar month, provide the Exchange with a corresponding application drawn up in any form.

Transition from one scheme of announcement and maintaining of mandatory quotes to another during the current month is prohibited.

- 1.4. The minimum number of government securities issues for which the market maker announces and maintains the mandatory quotations in accordance with the scheme 1 or 2 is five issues of government securities, the term to maturity of which is:

less than 360 days;

361 days to 1,080 days inclusive;

1,081 days to 1,800 days inclusive;

1801 days to 2520 days inclusive;

2521 days to 3600 days inclusive.

The minimum number of issues of government securities for which the market maker announces and maintains the mandatory quotations in accordance with the scheme 3 or 4 is one issue of government securities.

*(This item was supplemented by a decision of the Exchange Management Board of June 30, 2020, changed by decisions of the Exchange Management Board of September 10, 2020, December 3, 2020 and April 29, 2021)*

- 1.5. Mandatory quotes announced by a market-maker during a discrete auction trading in securities are not considered by the trading system as submitted by a member of the Exchange in pursuance of his duties as a market-maker at the time of such an auction *(this item was included by a decision of the Exchange's Management Board dated June 9, 2020)*.

- 1.6. A market-maker for government securities, whose mandatory quotation parameters correspond to the conditions of Schemes 1 or 2, has the right to increase the number of government securities issues for which he intends to announce and maintain mandatory quotations, regardless of the number of days remaining until their maturity *(this item was included by a decision of the Exchange's Management Board of September 10, 2020 and changed by a decision of the Exchange's Management Board of December 3, 2020)*

- 1.7. On the day of an application of the market-maker, if there are sufficient grounds for expanding (increasing) the maximum value of the spread for mandatory quotations for securities of any denomination subject to clause 6 article 5 of the Rules of Market-Makers Activities, maximum value of the spread for mandatory quotations for this security shall expand until the end of the current trading day, on which a request of the market-maker was received, to a value doubled from the current maximum spread value, provided that this value does not exceed the maximum price deviation for a group of securities, which includes this security.

If the doubled maximum value of the spread exceeds the maximum price deviation for the group of securities that this security belongs to, the market-maker shall set a spread in the amount of this maximum price deviation.

*(This item was included by the decision of the Exchange Management Board of July 01, 2023)*

- 1.8. On the second trading day after a request of the market-maker to expand (increase) the spread

for mandatory quotations for securities of any denomination, the Exchange shall analyze the current situation and, if it is confirmed that it is necessary to further expand the maximum value of the spread within the framework of the decision made subject to clause 6 article 5 of the Rules of Market-Makers Activities, for mandatory quotations for:

- 1) equity securities/ shares of a mutual investment fund/ ETF securities/ global depository receipts/ bonds traded at "dirty" prices, the maximum spread value shall be set in the amount that corresponds to the price change calculated as a result of the analysis, according to the internal document of the Exchange, determining the spread widening mechanism for mandatory quotations on securities;
- 2) bonds traded in "clean" prices, the maximum value of the spread is set, which does not exceed value of the maximum price deviation for a group of securities, when recalculating it into yield to maturity subject to the internal document of the Exchange, which determines the spread widening mechanism for mandatory quotations on securities.

*(This item was included by the decision of the Exchange Management Board of July 01, 2023)*

- 1.9. Analysis to be carried out by the Exchange subject to clause 1.8 of these Specifications shall include calculation of the deviation of the closing price for a security that has on the first day of the spread expansion (increase), from the closing price of the previous trading day (in its absence, from the price of the last previously closed transaction).

The Exchange shall take decision to set the maximum value of the spread for mandatory quotations subject to the conditions of the schemes established by this Specification, if, based on results of the analysis carried out subject to paragraph one of this clause, the price deviation is less than:

- 1) 5.0 percentage points of yield on debt securities (except for debt securities traded in "dirty" prices);
- 2) 7.0% on debt securities traded in "dirty" prices;
- 3) 7.0% on equity securities, mutual fund units, ETF securities and global depository receipts.

*(This item was included by the decision of the Exchange Management Board of July 01, 2023)*

## **Part 2. TERMS OF THE TIME-OUT**

- 2.1. For financial instruments, time-out can be used at any time of the trading day *(this item was changed by a decision of the Exchange Management Board dated April 17, 2024)*.
- 2.2. The maximum total duration of the time-out for securities is 90 minutes during one trading day, taking into account the features established by paragraphs two through four of this item.

The maximum total timeout duration for securities included in the KASE Global sector is 192 minutes during one trading day.

In the event that a market maker does not have a sufficient number of shares of a mutual investment fund for the performance of its duties, the market maker has the right to apply in writing to the Exchange to use a time-out of no more than two working days to increase the issue of this type of shares.

A market maker who has applied to the Exchange in accordance with paragraph three of this item has the right to use a time-out of up to two business days in the event of a positive result of the check for the absence of a sufficient number of units of a mutual investment fund, carried out by the Exchange's trading division".

*(This item was changed by the decision of the Exchange Management Board of November 4, 2021 and September 30, 2024)*

- 2.3. The maximum total length of the time-out on government securities makes up 150 minutes during one trading day.
- 2.4. The maximum total time-out duration for one-day repo transactions with GCC is:

- 1) 90 minutes during one trading day, if the parameters of the market maker's mandatory quotes comply with the conditions of scheme 1;
- 2) 30 minutes during the time of maintaining mandatory quotes established by paragraph three of item 1.1 of this Specification, if the parameters of the market maker's mandatory quotes comply with the conditions of scheme 2.

*(This item was included by the decision of the Exchange Management Board of May 27, 2024)*

### **Part 3. ADDITIONAL RIGHTS OF THE MARKET-MAKER**

- 3.1. A market-maker for government securities who chose the scheme of 1 or 2 of announcement and maintaining of mandatory quotes, has the right to change the type of security within one circulation period in order to maintain the mandatory quotation for such a security, provided that from the day this member of the Exchange was assigned the status of a market-maker for a variable security, the term of his activity as a market-maker is at least ten trading days *(this item was supplemented by a decision of the Exchange's Management Board dated June 30, 2020)*.
- 3.2. A market maker performing duties in accordance with the scheme for announcing and maintaining mandatory quotations by volume, has the right to refuse to further announce and/or maintain mandatory quotations for financial instruments of any name during the trading day in the trading system, if the total volume of purchase and sale transactions of financial instruments of this name (based on the mandatory quotes previously announced by him) concluded by this member of the Exchange during the trading day amounted to at least:
  - 1) five times the minimum volume of mandatory quotation for equity/debt securities, units of a unit investment trust, ETF securities, global depositary receipts of this name, as well as one-day repo transactions with GCC, if the parameters of the mandatory quotation of the market maker comply with conditions of scheme 1 *(this item was changed by a decision of the Exchange Management Board dated May 27, 2024)*;
  - 2) three times the minimum volume of mandatory quotation for government securities of this name.

*(This item was changed by decisions of the Exchange's Management Board dated June 30, 2020, January 18, 2023 and April 17, 2024)*

- 3.2-1. The market maker has the right to refuse to further announce and/or maintain, for a specified time in the trading system, mandatory quotes for one-day repo transactions with GCC in any direction, if the total volume concluded by this member of the Exchange in the duration of the established time for opening one-day repo transactions with GCC in this direction amounted to at least 15 times the minimum volume of mandatory quotation *(this item was included by the decision of the Exchange Management Board of May 27, 2024)*.
- 3.3. A market maker acting subject to the scheme for announcing and maintaining mandatory quotations by the number of securities shall have the right to refuse to further announce and/or maintain mandatory quotations for securities of any denomination in the trading system during the trading day, if the total number of securities under deals of purchase and sale of securities of this denomination, closed by this member of the Exchange during the trading day (based on mandatory quotations announced by him earlier) amounted to at least five times the minimum number of securities of this denomination of mandatory quotation *(this item was changed by the decisions of the Exchange Management Board dated June 30, 2020 and February 1, 2022, was excluded by a decision of the Exchange's Management Board dated 31 March of 2022 and was included by the decision of the Exchange Management Board of January 18, 2023)*

### **Part 4. PREFERENCE AND REMUNERATION FOR THE MARKET-MAKER. SPECIAL CONDITION**

- 4.1. A market maker for equity securities, settlements on transactions with which are carried out in tenge, debt securities, ETF securities of the "Investment Fund Securities" sector and global depositary receipts of any name shall pay the Exchange's commission fees for transactions of



purchase and sale of securities of this name at a rate reduced by 50% relative to the rate applicable to such transactions in accordance with the Exchange's internal document on membership fees, exchange and clearing fees, if during one calendar month for which the Exchange's commission fees for transactions of purchase and sale of securities of this name are accrued, the parameters of its mandatory quotations correspond to the conditions of scheme 1.

A market maker for equity securities, settlements on transactions with which are carried out in tenge, debt securities, ETF securities of the "Investment Fund Securities" sector and global depositary receipts of any name is exempt from paying the Exchange's commission fees on transactions of purchase and sale of securities of this name, if during one calendar month for which the Exchange's commission fees on transactions of purchase and sale of securities of this name are accrued, the parameters of its mandatory quotations correspond to the conditions of scheme 2 and are announced and/or supported by it from its own account (in its own interests and at its own expense)".

*(This item was amended by the decisions of the Exchange Management Board of June 30, 2020, December 03, 2020, November 4, 2021, August 18, 2022 and September 30, 2024)*

- 4.2. A market-maker for government securities, regardless of the chosen scheme, is exempted from payment of the Exchange's commission fees on transactions of purchase and sale of securities of this title, for which he fulfills the obligations of the market-maker.

A market-maker for government securities of particular denomination pays the Exchange's commission fees on transactions with other government securities for which he does not perform the functions of a market-maker at a rate reduced by 50% relative to the rate applicable to such transactions in accordance with the Exchange's internal document on membership dues, exchange and clearing fees *(this paragraph was changed by a decision of the Exchange's Management Board dated June 30, 2020)*.

The first and second paragraphs of this item do not apply to transactions on repurchase of government securities issued by the Ministry of Finance of the Republic of Kazakhstan.

- 4.3. A market-maker for equity securities, the parameters of the mandatory quotes of whom within one calendar month for which the Exchange's commission fees are charged, comply with the conditions of Scheme 3, is exempt from payment of the Exchange's commission fees *(this paragraph was changed by a decision of the Exchange's Management Board dated December 3, 2020)*.

A market-maker for equity securities, the parameters of the mandatory quotes of whom within one calendar month correspond to the conditions of scheme 3, is entitled to receive a fee in the amount of 25% of the amount of the Exchange's commission fee received from the counterparty of the concluded deal, taking into account the following *(this paragraph was changed by a decision of the Exchange's Management Board dated December 3, 2020)*:

- 1) the counterparty on purchase-sale transactions is not this market-maker;
  - 2) the order of the market-maker, according to which the purchase and sale transaction was concluded, has been submitted to the trading system earlier in time than the counterparty's order for such a transaction, and the amount of such a transaction is 3,000 times the MCI.
- 4.3-1. A market-maker for government securities, the parameters of the mandatory quotations of whom within one calendar month, for which the Exchange's commission fees are charged, correspond to the conditions of Scheme 3, is entitled to receive a remuneration in the amount of 50% of the amount of the Exchange's commission fee received from the counterparty on the concluded deal, considering the following *(this paragraph was changed by a decision of the Exchange's Management Board of December 3, 2020)*:
- 1) this market-maker is not the counterparty for purchase and sale transactions;
  - 2) the market-maker's order, on which the purchase and sale deal was concluded, was submitted to the trading system earlier in time than the counterparty's order for such a deal, and the size of such a deal is equal to 500,000,000 tenge at par.
- 4.3-2. Market maker on securities included in "KASE Global" sector, which parameters of mandatory quotations during one calendar month meet the conditions of schemes 1 and 2:

- 1) is exempt from payment of commission fees of the Exchange on transactions of purchase and sale of securities of this denomination;
- 2) is entitled to remuneration, which consists of a fixed and a variable part, the amounts of which are set out in Annex 2 to this Specification.

*(This item was included by the decision of the Exchange Management Board of November 4, 2021)*

4.3-3. Clause 4.3-2 of this Specification shall apply only to passive<sup>2</sup> trades of purchase and sale of securities concluded by the market maker *(this item was included by the decision of the Exchange Management Board of November 4, 2021)*.

4.4. Clauses 4.1- 4.3-2 and sub-clause 4.3-2 (1) of this Specification shall not apply to *(this paragraph was amended by the decisions of the Exchange Management Board dated July 14, 2020 and November 4, 2021)*:

- 1) transactions with state-owned stakes in organizations being privatized;
- 2) transactions related to repo transactions;
- 3) transactions of purchase and sale of securities concluded by direct deals;
- 4) transactions in government securities with less than 360 days to maturity.

*(This item was included by a decision of the Exchange's Management Board of July 14, 2020)*

4.5. Payment of a fee to the market maker subject to the second paragraph of clause 4.3, clause 4.3-1, sub-clause 2) clause 4.3-2 of this Specification, subject to the performance of his duties, shall be carried out within ten business days of the month following the month of calculation, on the basis of information received by the Exchange about details of the member of the Exchange and invoices issued by it for payment, report of completion and invoice *(this item was changed by the decisions of the Exchange Management Board dated July 14, 2020, November 4, 2021 and January 18, 2023)*.

4.6. The market maker for repo transactions with GCC pays commission fees to the Exchange for one-day repo transactions with GCC at a rate reduced by 75 % relative to the rate applicable to such operations in accordance with the Exchange's internal document on membership fees, exchange and clearing fees *(this item was changed by the decision of the Exchange Management Board dated May 27, 2024)*.

When the market maker for repo transactions with GCC reaches the volume of one-day repo transactions with GCC in the amount of 300 billion tenge, this market maker is exempt from paying commission fees of the Exchange for one-day repo transactions with GCC *(This item was changed by a decision of the Exchange's Management Board dated December 3, 2020, was excluded by a decision of the Exchange's Management Board dated 31 March of 2022 and was included by a decision of the Exchange's Management Board of April 17, 2024)*.

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<sup>2</sup> A passive deal is a deal concluded on the basis of a market maker's order submitted to the trading system earlier than the counterparty's order on such a deal *(this footnote was included by decision of the Exchange Management Board of November 4, 2021)*.

**Appendix 1**

to the Specification of the market-maker for securities

*(this header has been changed by a decision of the Exchange Management Board of November 4, 2021)*

*(This appendix was included by a decision of the Exchange Management Board of October 29, 2020 and amended by decisions of the Exchange Management Board dated December 11, 2020, April 29, 2021, November 4, 2021, August 18, 2022 and January 18, 2023)*

**S C H E M E S**

**for announcing and maintaining mandatory quotations for financial instruments of the stock market**

*(This heading was changed by a decision of the Exchange's Management Board of April 17, 2024)*

Table 1

Schemes of announcement and maintenance of compulsory quotations by volume								
Name	Scheme 1		Scheme 2		Scheme 3		Scheme 4	
Financial instruments	Volume of compulsory buy (sale) quotations, MCI	Max spread	Volume of compulsory buy (sale) quotations, MCI	Max spread	Volume of compulsory buy (sale) quotations, MCI	Max spread	Volume of compulsory buy (sale) quotations, MCI	Max spread
1	2	3	4	5	6	7	8	9
Equity securities / units of a unit investment fund/ ETF securities of the	2.000-fold size	3,0 %	3.000-fold size	1.0 %	3.000-fold size MCI	maintenance of quotations with best prices <sup>3</sup>	-	-

<sup>3</sup> Best prices shall mean prices with respect to other orders of trading participants, i.e. an order price of the market maker for purchase must be the highest and for sale – the lowest out of all available orders *(this footnote was renumbered by the decisions of the Exchange Management Board of July 1, 2021 and November 4, 2021)*.



Rules of market-maker activities

Schemes of announcement and maintenance of compulsory quotations by volume								
Name	Scheme 1		Scheme 2		Scheme 3		Scheme 4	
Financial instruments	Volume of compulsory buy (sale) quotations, MCI	Max spread	Volume of compulsory buy (sale) quotations, MCI	Max spread	Volume of compulsory buy (sale) quotations, MCI	Max spread	Volume of compulsory buy (sale) quotations, MCI	Max spread
1	2	3	4	5	6	7	8	9
Investment Fund Securities / global depository receipts sector (with settlements in Kazakhstan tenge)								
Units of a unit investment fund (with settlements in USD)	USD 13,500	3.0 %	-	-	-	-	-	-
Debt securities	1.000-fold size (for bonds where settlements for related transactions are made in Kazakhstan tenge) or USD 5.000 (for bonds where settlements for related transactions are made in USD)	2.0 percentage points between values yield of compulsory quotations or 3.0 % of price for compulsory quotation for buy for compulsory quotations for termless debt ones and debt ones traded with "dirty" prices	-	-	-	-	-	-
Government securities	50.000-fold size		100.000-fold size	1.0 percentage point between values yield of compulsory quotations	500.000.000 KZT at face value	1 % of price of compulsory buy quotation	50.000-fold size	2.0 percentage points between values yield of compulsory quotations

## Rules of market-maker activities

Schemes of announcement and maintenance of compulsory quotations by volume								
Name	Scheme 1		Scheme 2		Scheme 3		Scheme 4	
Financial instruments	Volume of compulsory buy (sale) quotations, MCI	Max spread	Volume of compulsory buy (sale) quotations, MCI	Max spread	Volume of compulsory buy (sale) quotations, MCI	Max spread	Volume of compulsory buy (sale) quotations, MCI	Max spread
1	2	3	4	5	6	7	8	9
				or 2.0 % of price for compulsory quotation for buy for compulsory quotations for debt ones traded in "dirty" prices				or 3.0 % of price for compulsory quotation for buy for compulsory quotations for termless debt ones and debt ones traded in @dirty" prices
<b>One-day repo transactions with GCC<sup>45</sup></b>	1 billion tenge	1.0 % between the yield values of mandatory quotes (for bilateral quotes) or 1 percentage point from the last value of the TONIA indicator (for one-sided quotes)	1 billion tenge	1.0 % between the yield values of mandatory quotes (for bilateral quotes) or 1 percentage point from the last value of the weighted average yield of the current day on repo transactions with a basket of government	1 billion tenge	1.0 % between the yield values of mandatory quotes (for bilateral quotes) or 1 percentage point from the last value of the TONIA indicator (for one-sided quotes)	1 billion tenge	1.0 % between the yield values of mandatory quotes (for bilateral quotes) or 1 percentage point from the last value of the weighted average yield of the current day on repo transactions with a basket of government

<sup>4</sup> Designation "general collateral certificate" (*this footnote was included by a decision of the Exchange's Board of Directors dated 17 April of 2024*).

## Rules of market-maker activities

Schemes of announcement and maintenance of compulsory quotations by volume								
Name	Scheme 1		Scheme 2		Scheme 3		Scheme 4	
Financial instruments	Volume of compulsory buy (sale) quotations, MCI	Max spread	Volume of compulsory buy (sale) quotations, MCI	Max spread	Volume of compulsory buy (sale) quotations, MCI	Max spread	Volume of compulsory buy (sale) quotations, MCI	Max spread
1	2	3	4	5	6	7	8	9
				securities with the CCP <sup>56</sup> , in case of its absence – from the weighted average yield of the previous day on one-day repo transactions with a basket of government securities with the CCP				securities with the CCP <sup>6</sup> , in case of its absence – from the weighted average yield of the previous day on one-day repo transactions with a basket of government securities with the CCP
<i>(This line was included by a decision of the Exchange's Management Board of April 17, 2024 and was changed by the decision of the Exchange Management Board dated May 27, 2024)</i>								

<sup>5</sup> Designation "repo transaction with a basket of government securities with the participation of the central counterparty" *(this footnote was included by a decision of the Exchange's Board of Directors dated 27 May of 2024).*

Table 2

Schemes of announcement and maintenance of compulsory quotations by quantity of securities				
Name	Scheme 1		Scheme 2	
Financial instruments	Number, pcs	Maximums spread	Number, pcs	Maximums spread
1	2	3	4	5
<b>ETF securities of the Investment Fund / global depository receipts sector (with settlements in USD)</b>	Number calculated subject to clause 1.2.-1 of the Specification of Securities Maker	3.0 %	-	-
<b>Securities included into KASE Global sector</b>	Number calculated subject to clause 1.2-2 of the Specification of Securities Maker	1.0	Number calculated subject to clause 1.2-2 of the Specification of Securities Maker	3 %
<b>Units of a unit investment fund</b>	Number calculated subject to clause 1.2.-3 of the Specification of Securities Maker	3.0 %	-	-

**Appendix 2**

to the Specification for the  
Market Maker of Securities

*(This appendix was included by decision of the Exchange Management Board of November 4, 2021)*

**REMUNERATION AMOUNTS  
of market-makers on securities included in the "KASE Global" sector**

The amount of remuneration for a market maker depends on the scheme of announcing and maintaining compulsory quotations for a security and is as follows:

No. p/p	Part of the remuneration	Scheme 1 of the announcement and maintaining mandatory quotes	Scheme 2 of the announcement and maintaining mandatory quotes
1	2	3	4
1.	Fixed <sup>6</sup>	\$100 per calendar month for one security	\$100 per calendar month for one security
2.	Variable	2 times the commission fee of the Exchange for each sale-purchase transaction	–

If two or more market makers are set for a security of any denomination, the fixed and variable parts of remuneration for such market makers are as follows:

No. p/p	Market Maker	Scheme 1 of the announcement and maintaining mandatory quotes		Scheme 2 of the announcement and maintaining mandatory quotes	
		Fixed part	Variable part	Fixed part	Variable part
1	2	3	4	5	6
1.	The market maker whose volume of transactions concluded on a security of any denomination during the period for which remuneration is accrued is the largest among all market makers on a security of this denomination	\$100 per calendar month for one security	2 times the commission fee of the Exchange for each sale-purchase transaction	\$100 per calendar month for one security	–
2.	Other market makers	\$50 for one calendar month for one security	–	\$50 for one calendar month for one security	–

<sup>6</sup> recalculated by the Exchange in tenge at the official rate of the National Bank of the Republic of Kazakhstan, set on the day of calculation of the remuneration of the market maker.

**Appendix 3**

to the Rules of market-maker activities

**SPECIFICATION**

**of the market-maker for futures**

*(This appendix was amended by the decisions of the Exchange Management Board of June 09, 2020, June 8, 2021 and July 1, 2021).*

**Part 1. REQUIREMENTS FOR MANDATORY QUOTATIONS**

- 1.1. Market Maker maintains mandatory quotations on the futures of any name, the execution date of which is the closest to the trading day, on which the mandatory quotations are maintained.
- 1.2. The minimum volume of the best mandatory quotation of the market-maker on the futures is:
  - 1) 100 futures contracts - on the futures for the U.S. dollar to tenge exchange rate;
  - 2) 500 futures contracts - for futures on shares of Kazakhstani issuers;
  - 3) 2,000 futures contracts - on KASE Index futures;
  - 4) 100 futures contracts – on the RUB/KZT futures *(this sub-item was included by a decision of the Exchange's Management Board dated 21 July of 2022).*
- 1.3. The maximum value of the spread for mandatory quotes on the futures is:
  - 1) 0.4 tenge - on the futures on the US dollar to tenge exchange rate;
  - 2) 4 tenge - on the futures on common shares of JSC "Halyk Savings Bank of Kazakhstan;
  - 3) 80 tenge - on the futures for common shares of NAC Kazatomprom JSC;
  - 4) 30 tenge - on KASE Index futures;
  - 5) KZT0.10 – on the RUB/KZT futures *(this sub-item was included by a decision of the Exchange's Management Board dated 21 July of 2022).*
- 1.4. During the period of increased volatility of the futures market, the Exchange Management Board has the right to change the size of the minimum volume of the best mandatory quotation of the market maker and/or the maximum spread value for mandatory quotations of the market maker on futures of any denomination.
- 1.5. The Exchange Management Board independently determines the state of the futures market as normal or volatile depending on various parameters of this market, including the amount of futures price fluctuations.

The Exchange Management Board also has the right to determine the state of the futures market as volatile based on the statements received from futures market makers (prepared in on recognition of the futures market condition as volatile

**Part 2. TERMS OF TIME-OUT**

- 2.1. For foreign currencies timeout can be used at any time of the trading session.
- 2.2. The maximum total duration of the timeout is:
  - 1) five minutes - in respect of any financial instrument in foreign currency with the trading day settlement period and transactions in foreign currency in respect of the yuan, except for the

time-out on the instruments in respect of the ruble with the term of settlement on the trading day, which is 60 minutes;

- 2) 60 minutes - on a financial instrument in foreign currency with a settlement date on the next business day and on the second business day after the trading day and currency swap transactions / transactions in foreign currency in respect of the dollar, euro and ruble.

*(This item was changed by the decisions of the Exchange Management Board of December 3, 2020 and April 29, 2021).*

### **Part 3. ADDITIONAL RIGHTS OF THE MARKET-MAKER**

- 3.1. A market-maker for particular futures may relinquish further announcement and/or maintenance during the trading day in the trading system of mandatory quotations on those futures, if the accomplished total volume of purchase-sale transactions in those futures, concluded by that member of the Exchange during the trading day (based on mandatory quotations he announced earlier) made up at least the two-fold minimum volume of the best mandatory quotation on those futures.

### **Part 4. REMUNERATION OF THE MARKET-MAKER**

- 4.1. A market-maker for particular futures is released from payment of the Exchange's commission fees.
- 4.2. The Exchange pays a member of the Exchange who has the status of a market-maker for particular futures, a fee of 50% of the amount of the commission fee received from the counterparty of the concluded transaction.
- 4.3. The Exchange's Management Board independently determines the state of the futures market as normal or volatile depending on various parameters of this market, including the magnitude of fluctuations in futures prices.

The Exchange's Management Board may also determine the state of the futures market as volatile based on the applications received from market-makers for futures (compiled in deliberate form) on the recognition of the state of the futures market as volatile.

- 4.4. Market-makers for futures are not subject to the responsibility defined in article 6 of the Rules.

The special condition established by the first paragraph of this item is subject to cancellation by the Exchange's Board of Directors upon reaching the level of liquidity on the futures market determined by it.

- 4.5. A member of the Exchange holding the status of a market-maker for particular futures:
  - 1) for a three-fold violation of any obligation of the market-maker within one calendar month, loses the right to receive the remuneration established by item 4.2 of this Specification;
  - 2) for the fourth case of violation of any obligation of the market-maker within one calendar month, a member of the Exchange's Management Board in charge of the trading division has the right to issue an instruction to forcibly strip this Exchange member of the market-maker status *(this paragraph was changed by a decision of the Exchange's Management Board dated June 9, 2020).*

**Appendix 4**

to the Rules of market-maker activities

**SPECIFICATION**  
**of the market-maker for foreign currencies**

**Part 1. REQUIREMENTS FOR THE MARKET-MAKER (CANDIDATE FOR MARKET-MAKERS)  
AND FOR MANDATORY QUOTATIONS**

- 1.1. The equity of a member of the Exchange holding the status of a market-maker for a particular foreign currency-based financial instrument or wishing to obtain such status must equal to at least 1,000,000-fold MCI.
- 1.2. If not otherwise specified by a decision of the Exchange's Board of Directors with regard to a particular foreign currency-based financial instrument, the minimum volume of the best mandatory purchase (sale) quotation for foreign currency-based financial instrument makes up:
  - 1) on the US dollar (hereinafter – the dollar) and on currency swap transactions/foreign currency transactions regarding the dollar – USD500,000 *(this sub-item was supplemented by a decision of the Exchange's Management Board of December 3, 2020)*;
  - 2) on the ruble of the Russian Federation (hereinafter – the ruble) and on foreign currency transactions in relation to the ruble:

according to scheme 1 of the announcement and maintenance of mandatory quotations – 5,000,000 rubles;

according to scheme 2 of the announcement and maintenance of mandatory quotations – 20,000,000 rubles;

*(this sub-item was changed by decisions of the Exchange's Management Board of October 29, 2020 and December 3, 2020)*
  - 3) on the Chinese yuan (hereinafter – the yuan) and on foreign currency transactions regarding the yuan – CNY100,000 *(this sub-item was changed by a decision of the Exchange's Management Board of December 3, 2020)*.
- 1.3. The maximum value of spread makes up:
  - 1) for mandatory quotations on the dollar – KZT0.3 *(this sub-item was changed by a decision of the Exchange's Management Board dated December 3, 2020)*;
  - 2) for mandatory quotations on the ruble regardless of the chosen scheme of announcing and maintaining mandatory quotes – KZT0.01 *(this sub-item was changed by a decision of the Exchange's Management Board of October 29, 2020)*;
  - 3) for mandatory quotations on the yuan – KZT0.07;
  - 4) for currency swap transactions / foreign currency transactions with regard to the dollar, ruble and yuan – 1.5 percentage points between yield values of mandatory quotations *(this sub-item was supplemented by a decision of the Exchange's Management Board dated December 3, 2020)*.
- 1.4. In case of emergence of circumstances resulting in members of the Exchange possibly incurring substantial financial losses from their undue performance of obligations of the market-maker for a particular foreign currency-based financial instrument, the Exchange's Management Board may temporarily, for no longer than 10 (ten) trading days, increase at most twice the maximum value of the spread for mandatory quotations on that financial instrument, specified in item 1.3 of this Specification.



## Part 2. TERMS OF THE TIME-OUT

- 2.1. On foreign currencies the time-out can be used at any time during the trading session.
- 2.2. The maximum total duration of a time-out shall be:
- 1) five minutes – for any financial instrument in foreign currency with a settlement period on the trading day, with the exceptions specified in sub-clauses 2) and 3) of this clause;
  - 2) 10 minutes – for a financial instrument in yuan with a settlement period on the trading day and operations with foreign currency with respect to yuan;
  - 3) 60 minutes – for a financial instrument in the ruble with a settlement date on the trading day, for any financial instrument in foreign currency with a settlement period on the next business day and on the second business day after the trading day and currency swap transactions/ transactions with foreign currency in relation to the dollar, euro and ruble.

*(This item was changed by a decisions of the Exchange's Management Board dated December 3, 2020 and July 01, 2023)*

## Part 3. ADDITIONAL RIGHTS OF THE MARKET-MAKER

- 3.1. A market-maker for a particular foreign currency-based financial instrument may relinquish further announcement and/or maintenance during the trading session in the trading system of mandatory quotations on that financial instrument, if the accomplished total volume of purchase-sale transactions in that financial instrument, concluded by that member of the Exchange during the trading day (based on mandatory quotations he announced earlier) made up at least the five-fold minimum volume of the best mandatory quotation on that financial instrument.

## Part 4. PREFERENCES FOR THE MARKET-MAKER. SPECIAL CONDITIONS

- 4.1. The Exchange's internal document on membership fees, exchange and clearing commissions for foreign currency market-makers can specify preferences on payment of monthly membership fees *(this item was changed by decision of the Exchange's Management Board dated June 30, 2020)*.
- 4.2. Market-makers for foreign currency-based financial instruments are not subject to item 2 of article 5 of the Rules of market-maker activities.
- 4.3. *(This item was excluded by a decision of the Exchange's Management Board dated December 3, 2020)*.
- 4.4. If on a particular trading day the Exchange doesn't conduct trading in the financial instrument on the ruble and/or yuan with settlement on the trading day, then the market-maker may not maintain mandatory quotations on the financial instrument on the ruble and/or yuan on that trading day *(this item was supplemented by a decision of the Exchange's Management Board of October 29, 2020)*.