

# KAZAKHSTAN STOCK EXCHANGE JSC

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**Approved**

by a decision of the Management Board  
of Kazakhstan Stock Exchange JSC

(minutes No. 151 of the meeting on November  
17, 2020)

**Effective from**

November 30, 2020

**NOTICE**

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

## **SPECIFICATION**

### **of currency swap transactions and foreign currency transactions**

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city of Almaty

2020

## **LIST OF AMENDMENTS**

**1. Changes No. 1:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No. 60 of the meeting dated May 27, 2024);
- effective as of June 3, 2024.

**2. Changes No. 2:**

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No. 85 of the meeting dated July 25, 2024);
- effective as of July 29, 2024.

This Specification has been developed in accordance with internal documents of Kazakhstan Stock Exchange JSC (hereinafter – the Exchange) and contains standard conditions for currency swap transactions and foreign exchange transactions (conventionally called "short-term currency swap"), as well as the calculation of parameters of such transactions.

### Chapter 1. GENERAL PROVISIONS

1. This Specification uses the concepts defined by the Exchange's internal document governing the general conditions for the implementation of exchange activities, and other internal documents of the Exchange (*this item was changed by the decision of the Management Board of the Exchange dated May 27, 2024*).
- 1-1. For the purposes of this Specification, the associated currency means a currency against which the foreign currency is purchased or sold (*this item was included by the decision of the Management Board of the Exchange dated July 25, 2024*).
2. The structures of currency swap and foreign currency transactions codes are given in the Exchange's internal document governing the procedure for assigning codes to members of the Exchange and their accounts, users of trading systems, issuers of securities and financial instruments (*this item was changed by the decision of the Management Board of the Exchange dated May 27, 2024*).
3. Currency swap transactions are carried out with regard to the US dollar.  
Foreign currency transactions are carried out with regard to the US dollar, euro, Russian ruble and yuan of the People's Republic of China.
4. The standardized time frames for currency swap transactions are seven days, one month, three months, six months and one year.

Standardized time frames for which foreign exchange transactions can be carried out are one day and two days.

### Chapter 2. CALCULATION OF PARAMETERS OF THE CURRENCY SWAP TRANSACTION AND FOREIGN CURRENCY TRANSACTION

5. The following formulas are used to calculate the parameters of the currency swap and foreign exchange transactions:
  - 1) the closing price is calculated using the formula:

$$\text{Price}_{\text{close}} = \text{Price}_{\text{open}} + \text{Price}_{\text{operation}}, \text{ where:}$$

$\text{Price}_{\text{close}}$  – the closing price of a swap transaction/foreign currency transaction (if the price is measured in tenge, then with an accuracy of up to the fifth decimal place, or if the price is measured in US dollars, then with an accuracy of up to the sixth decimal place);

$\text{Price}_{\text{open}}$  – the price of opening a swap transaction/foreign currency transaction;

in currency swap transactions / foreign exchange transactions involving the US dollar, carried out during the main trading session, the weighted average price of all transactions on the USDKZT\_TOM instrument, formed as of 11:00 Almaty time on the day of the start (opening) of this transaction, on which this instrument was traded, is used as such price; in the absence of such transactions, the weighted average price of all transactions concluded on the last successful day with this instrument is used; measured in tenge, with an accuracy of the second decimal place;

in foreign exchange transactions involving the US dollar, carried out at an additional trading session, the weighted average price of all transactions on the USDKZT\_TOM instrument, formed as of 15:30 Almaty time on the day of the start (opening) of this transaction, on which this instrument was traded, is used as such price; in the absence of such

transactions, the weighted average price of all transactions concluded on the last successful day with this instrument is used; measured in tenge, with an accuracy of up to the second decimal place;

In foreign currency transactions with the euro and the ruble, the following is used as such a price:

the weighted average price of all transactions with this foreign currency, settlements for which are carried out on the next business day after the day of trading, established as of 11:00 Almaty time on the day of the start (opening) of this operation, in which this foreign currency was traded; in the absence of such transactions, the weighted average price of all transactions concluded on the last successful day with this foreign currency with settlements on the next business day after the day of trading with this foreign currency is used; in this case:

- in transactions with foreign currency involving the euro, this price is measured in tenge with an accuracy of up to the second decimal place or in US dollars with an accuracy of up to the sixth decimal place;
- in transactions with foreign currency involving the ruble, this price is measured in tenge, with an accuracy of up to the fourth decimal place;

in foreign exchange transactions involving the yuan, the weighted average price of all transactions concluded on the last successful day with this foreign currency, settlements for which are carried out on the next business day after the day of trading, is used as such a price; it is measured in tenge, with an accuracy of up to the fourth decimal place;

*(this sub-item was changed by the decision of the Management Board of the Exchange dated July 25, 2024)*

2) profitability is calculated using the formula:

$$\text{Yield} = \frac{\text{Price}_{\text{operation}} \times T_n}{\text{Length} \times \text{Price}_{\text{open}}} \times 100, \text{ where:}$$

Yield – the yield of a swap transaction/foreign currency transaction (measured as a percentage, with an accuracy of up to five decimal places);

$T_n$  – number of calendar days in a year;

Length – term of a swap/foreign currency transaction in days (number of calendar days between settlement dates of opening and closing transactions);

*(this sub-item was changed by the decision of the Management Board of the Exchange dated July 25, 2024)*

3) opening volume is calculated according to the following formula:

$$\text{Volume}_{\text{open}} = \text{Price}_{\text{open}} \times \text{Quantity}, \text{ where:}$$

$\text{Volume}_{\text{open}}$  – the opening volume of a swap / foreign currency transaction (measured in tenge, with accuracy of up to the second decimal place);

Quantity – number of instrument in swap / foreign currency transactions (measured in instrument units);

4) closing volume is calculated according to the following formula:

$$\text{Volume}_{\text{close}} = \text{Price}_{\text{close}} \times \text{Quantity}, \text{ where:}$$

$\text{Volume}_{\text{close}}$  – the closing volume of a swap / foreign currency transaction (measured in tenge, with accuracy of up to the second decimal place).

### Chapter 3. OBLIGATIONS ON A CURRENCY SWAP TRANSACTION

6. The parties to a currency swap transaction are obliged to pay each other a sum of money in the currency that is the related currency (variation margin), the amount of which depends on the change in the price of the subject of such transaction *(this item was changed by the decision of the Management Board of the Exchange dated July 25, 2024)*.
7. The variation margin is calculated on the day of the currency swap transaction and is paid from the day following the date of the currency swap transaction until the date when both parties fulfill their obligations under the closing deal, inclusively, in accordance with the internal documents of the clearing organization *(this item was changed by the decision of the Management Board of the Exchange dated May 27, 2024)*.

### Chapter 4. FINAL PROVISIONS

8. Responsibility for the timely introduction of changes and/or additions (updating) to this Specification rests with the trading division.
9. This Specification is subject to updating as necessary.

This Specification is subject to revision for the need for updating at least once every three years, calculated from the effective date of this Specification, and in the event of its updating – from the effective date of the latest changes/additions.

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

Chairperson of the Management Board

A. Aldambergen