

## PRESS RELEASE

city of Almaty

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### **KACC acts as the central counterparty and settlement organization on all KASE markets**

Kazakhstan Stock Exchange JSC (hereinafter – KASE, the Exchange) handed over clearing and settlement functions, as well as the central counterparty functions (hereinafter – the CCP) in the currency market and derivatives market to its 100% subsidiary – KASE Clearing Centre JSC (hereinafter – KACC, Clearing Centre), created in accordance with the area of the Exchange's Development Strategy for 2022–2024 called "Development of the central counterparty as a key infrastructure element".

Thus, the Exchange has completed the transfer of clearing and settlement activities and CCP functions in all KASE markets to the Clearing Centre. We remind you that on September 25, 2023 the Clearing Centre began carrying out clearing and settlement activities and performing the CCP functions on the Exchange's stock market.

The functions of the exchange market infrastructure were divided in order to create attractive conditions for investors while making transactions on the organized market, attracting foreign investors, introducing the best international standards, expanding opportunities for providing services on other exchange markets in Kazakhstan and the region, as well as sharing the risks of infrastructure organizations.

Since June 3, the Clearing Centre includes 50 financial organizations – members of KASE in the "stock", "currency" and "derivatives" categories. 1,426 financial instruments were accepted for clearing services, including 885 stock market instruments, 22 currency market instruments, 499 money market instruments and 20 derivatives market instruments.

As a CCP, the Clearing Centre ensures the reduction of participants' risks, guarantees the completion of settlements for transactions, and reduces transaction costs for participants through cross-margining and netting. The CCP service allows guaranteeing investors the timely receipt of assets for transactions, introduce risk management and adequate assessment of instruments in real time.

KASE has gradually introduced the CCP in all of its markets: in 2012 – in the derivatives market, in 2018 – in the foreign exchange market, in 2019-2020 – in the stock and money markets.

#### **For reference**

Kazakhstan Stock Exchange (KASE) is a leading stock exchange in the Central Asian region. KASE occupies the second place among the CIS exchanges in terms of securities trading volume, and the fourth place in terms of the equity market capitalization among the FEAS exchanges based on 2023 results.

It is a universal trading platform for corporate and government securities, bonds of international financial organizations, foreign currencies, transactions of the money market – repo and swap, as well as derivatives. KASE is a member of the World Federation of Exchanges (WFE), the Federation of Euro-Asian Stock Exchanges (FEAS), the International Association of Exchanges of the Commonwealth of Independent States (MAB CIS), The Global Association of Central Counterparties (CCP Global) and other international and local professional associations, as well as a participant of the UN's "Sustainable Stock Exchanges" initiative.

KASE Clearing Centre JSC was created through the reorganization of a subsidiary of the Exchange – eTrade.kz LLP and registered on June 21, 2022.

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