

Stock market fraud - reminder for citizens

In connection with increasing cases of illegal actions by certain unlicensed persons associated with investment activities, Kazakhstan Stock Exchange JSC (hereinafter, the Exchange, KASE) urges citizens to be vigilant and don't fall for the tricks of criminals. The world, including Kazakhstan, faces more and more cases of online fraud using pseudo-access to trading of financial instruments in the Kazakhstan's market.

Moreover, the scammers began to act on behalf of KASE. KASE officially declares that it never offers individuals or legal entities its services with direct participation of the Exchange or its employees for profiting in the stock markets.

Be careful and remember! Official KASE pages on social media networks have the following names:

Instagram — kase.kz

Facebook — KASE

Linkedin - Kazakhstan Stock Exchange

All other accounts are FAKE and have no relation to the Exchange, but may be used only for fraudulent purposes!

KASE is the trading organizer and provides the opportunity to connect to the Exchange's trading system and trade only to the Exchange members that, in turn, already making transactions in the stock market at the expense and in the interests of investors. List of the Exchange members with indication of membership categories and contact information is published on the KASE website at <https://kase.kz/en/membership/#brokers>.

At that, only licensed brokerage firms are members of the Exchange. KASE notes that when concluding contracts and interacting with companies that do not have a license from the regulator (the Republic of Kazakhstan's Agency for Regulation and Development of the Financial Market (ARDFM), the clients assume all possible risks. Please note that most scammers use a fairly common scheme: they operate through popular messengers WhatsApp, Telegram, social networks, email, use cold calling. These individuals introduce themselves as the Exchange employees and offer to invest money in securities. In exchange, the scammers promise the potential victim a high investment return, consulting, related services, for which they ask to transfer various sums to supposed brokerage accounts. After the money is transferred, the scammers collaborate with a client until the moment they express a desire to partially or completely withdraw their funds from the brokerage account. Then, the depositors usually encounter difficulties in communicating with the fake brokers. Moreover, in most cases, the criminals demand additional amounts in order to withdraw the entire amount of previously deposited funds. In order to protect your personal property, the Exchange recommends the Kazakhstanis to observe the following simple rules:

Important: how to protect yourself from scammers!!!

The first thing you should pay attention to is the broker's license. Brokers operate only based on a license from the authorized body, the Republic of Kazakhstan's Agency for Regulation and Development of the Financial Market (ARDFM), and subject to conclusion of a relevant contract for brokerage services. The activities of financial intermediaries are strictly regulated by the RK Civil Code, the RK Law "On the Securities Market" and others regulatory legal acts of the Republic of Kazakhstan. Secondly, after checking for a license, it is necessary to evaluate the reliability of brokers by other parameters. Rating of the company, its financial performance and shareholders - all these criteria indicate the broker's reliability.

You should carefully review website information and broker reviews. Obtain as much information as possible, including their addresses and phone numbers. Never make online payments or disclose to strangers (either in person or by phone or online) any information about yourself, your loved ones, relatives, bank cards, or any confidential (personal) information. Don't trust documents sent via messengers. If possible, personally verify all the information and documentation you need at the registered broker's office. Lack of information, a confusing system and all sorts of references are often the signs of fraud.

For example, the ARDFM website contains general information on brokers (shareholders, management, contact details, applied corrective measures and sanctions). It is also necessary to understand that when investing your funds in the stock market, the investor is not insured against market risks and as a result can both make a profit and suffer losses. Therefore, a broker cannot and must not guarantee a client a high investment income and/or no investment losses.

If you have encountered any type of financial fraud, we recommend to contact the ARDFM regarding protection of information service consumer rights via the hotline at +7 (727) 237 10 00.