### Annex 1

to the Regulation on Clearing Participants

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

## to candidates to obtain the status

**of the clearing participant of KASE Clearing Centre JSC – legal entities of the Republic of Kazakhstan** *(this heading was changed following a decision of the Board of Directors of the Clearing Centre dated September 12, 2023)*

*(This table was changed following a decision of the Board of Directors of the Clearing Centre dated February 23, 2024)*

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Requirement** | **"Currency" category** | **"Exchange", "derivatives" category** |
|  | **1** | **2** | **3** |
| 1. | Be registered as a legal entity in the Republic of Kazakhstan | + | + |
| 2. | Maintain accounting records and prepare financial statements subject to the requirements of international financial reporting standards and the laws of the Republic of Kazakhstan related to accounting and financial reporting | + | + |
| 3. | Comply with the equity capital adequacy standard established by the Authorized Agency | + | + |
| 4. | Have a risk management system that meets requirements of the Authorized Agency | + | + |
| 5. | Have a valid license of the authorized agency or the right provided for by the laws of the Republic of Kazakhstan to conduct banking operations in national and/or foreign currencies, including to carry out transactions (carry out exchange operations) with foreign currencies, or have a valid license of the authorized agency to organize exchange operations with foreign currency (except for organizing exchange transactions with cash foreign currency) | + | – |
| 6. | Have a valid license from an authorized agency or the right provided for by the laws of the Republic of Kazakhstan to carry out brokerage and/or dealer activities on the securities market | – | + |
| 7. | Absence of sanction restrictions with respect to the clearing participant and/or its participants/shareholders/officials, as well as ultimate beneficiaries | + | + |
| 8. | Availability of connection to the electronic document exchange system eTransfer.kz | + | + |

### Notes to the table:

1. in column 2 "+" means that the requirement is applicable to candidates for clearing participants (clearing participants) in the "currency" category; "–" means that the requirement is not applicable to candidates for clearing participants (clearing participants) in the "currency" category;
2. in column 3 "+" means that the requirement is applicable to candidates for clearing participants (clearing participants) in the "exchange" category and/or in the "derivatives" category; "–" means that the requirement is not applicable to candidates for clearing participants (clearing participants) in the "exchange" category and/or in the "derivatives" category.

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

**to candidates to obtain the status of the clearing participant of KASE Clearing Centre JSC – foreign legal entities including candidates, including electronic trading system participants** *(this item was changed following a decision of the Board of Directors of the Clearing Centre dated December 3, 2024)*

#### (This table was changed following a decision of the Board of Directors of the Clearing Centre dated February 23, 2024)

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Requirement** | **"Currency" category** | **"Stock", "derivatives" category** |
| **A** | **1** | **2** | **3** |
| 1. | Be a legal entity that meets the requirements (criteria) established by decree of the Management Board of the Agency of the Republic of Kazakhstan for Regulation and Supervision of the Financial Market and Financial Organizations "Requirements to foreign legal entities, as well as participants of Astana  International Financial Center for membership on the stock exchange" dated 30 September 2005 No. 360 | + | + |
| 2. | Be established in a state that has the current status of a member  of the FATF or a member of a regional group that is an associate member (observer) of the FATF | + | + |
| 3. | Be established in a state that has entered into an international treaty (convention, agreement) with the Republic of Kazakhstan  on avoidance of double taxation and prevention of tax evasion on income and capital (property) | + | + |
| 4. | Not be registered (established) as a legal entity in any of the offshore zones, the list of which is determined in the Republic of Kazakhstan for the purposes of activities of professional participants on the securities market and other licensed types of activities on the financial market and for the purposes of anti- money laundering and combating the financing of terrorism | + | + |
| 5. | Have a risk management system that corresponds in its main part to the provisions on the organization of risk management for broker-dealers on the securities market, recommended by IOSCO2 or established by a relevant regulatory legal act of the Republic of Kazakhstan3 | + | + |
| 6. | Maintain accounting and financial reporting subject to requirements of the international financial reporting standards or financial reporting standards in force in the United States of America | + | + |
| 7. | Absence of sanction restrictions in relation to the clearing participant and/or its participants/ shareholders/ officials, as well as ultimate beneficiaries | + | + |

2 Abbreviation of the English phrase "International Organization for Securities Commissions" – International Organization for Securities Commissions. Risk Management and Control Guidance for Securities Firms and their Supervisors, A Report by the Technical Committee of the International Organization of Securities Commissions (May, 1998, 31 p., [http://www.iosco.org/library/pubdocs/pdf/IOSCOPD78.pdf).](http://www.iosco.org/library/pubdocs/pdf/IOSCOPD78.pdf))

3 Rules for formation of a risk management and internal control system for organizations engaged in brokerage and dealer activities on the securities market, investment portfolio management activities, approved by Decree of the Management Board of the National Bank of the Republic of Kazakhstan dated August 27, 2013 No. 214. Rules for formation of the risk management and internal control system for second-tier banks approved by Decree of the Management Board of the National Bank of the Republic of Kazakhstan dated November 12, 2019 No. 188.

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Requirement** | **"Currency" category** | **"Stock", "derivatives" category** |
| **A** | **1** | **2** | **3** |
| 8 | Comply with the capital adequacy ratio established by the authorized body of the state of registration of the clearing participant in accordance with the applicable legislation of the country of registration *(the text of this cell was changed following*  *a decision of the Board of Directors of the Clearing Centre dated December 3, 2024)* | + | + |
| 9. | Foreign regulatory authority of the state, subject to the laws of which the candidate clearing participant is established, has signed a multilateral IOSCO memorandum of understanding, cooperation and exchange of information, or the state, subject to the laws of which the candidate clearing participant is established, has a sovereign rating of at least "BBB-" on the Standard & Poor's scale or a rating of a similar level from another rating agency (the recent rating by date of assignment (update or confirmation) shall be  taken into account) | – | + |
| 10. | Have a valid permit (license or right) to conduct transactions with financial instruments other than securities, including foreign exchange transactions, issued by a foreign regulatory authority, if such permission (license or right) is provided for by the applicable  laws | + | – |
| 11. | Have a valid permit (license or right) to carry out brokerage and/or dealer activities on the securities market issued by a foreign regulator | – | + |
| 12. | Availability of connection to the electronic document exchange system eTransfer.kz 9 (except for the participant of the electronic trading system) *(the text of this cell was changed following a*  *decision of the Board of Directors of the Clearing Centre dated December 3, 2024)* | + | + |
| 13. | Be included by the registering exchange in the register of participants in the electronic trading system | + | + |
| *(This line was included following a decision of the Board of Directors of the Clearing Centre dated December 3, 2024)* | | | |

##### Notes to the table

1. In column 2 "+" means that the requirement is applicable to candidates for clearing participants (clearing participants) in the "currency" category; "–" means that the requirement is not applicable to candidates for clearing participants (clearing participants) in the "currency" category;
2. In column 3 "+" means that the requirement is applicable to candidates for clearing participants (clearing participants) in the "exchange" category and/or in the "derivatives" category; "–" means that the requirement is not applicable to candidates for clearing participants (clearing participants) in the "exchange" category and/or in the "derivatives" category.

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

## to candidates to obtain the status

**of the clearing participant of KASE Clearing Centre JSC – AIFC participants**

#### (This table was changed following a decision of the Board of Directors of the Clearing Centre dated February 23, 2024)

|  |  |  |  |
| --- | --- | --- | --- |
| **Item No.** | **Requirement** | **"Currency" category** | **"Exchange", "derivatives" category** |
| **A** | **1** | **2** | **3** |
| 1. | Be a legal entity that meets the requirements (criteria) established by decree of the Management Board of the Agency of the Republic of Kazakhstan for Regulation and Supervision of the Financial Market and Financial Organizations "Requirements to foreign legal entities, as well as participants of the Astana  International Financial Center for membership in the stock exchange" dated 30 September 2005 No. 360 | + | + |
| 2. | Maintain accounting records and prepare financial statements subject to the requirements of the international financial reporting standards or financial reporting standards in force in the United States of America | + | + |
| 3. | Carry out activities on the basis of rights (licenses or permits) for at least one calendar year before the date of filing a request for  obtaining the status of the clearing participant | + | + |
| 4. | Comply with the equity capital adequacy standard established by the authorized agency of the state of registration of the clearing participant | + | + |
| 5. | Absence of sanction restrictions in relation to the clearing participant and/or its participants/  shareholders/ officers and ultimate beneficiaries | + | + |
| 6. | Have a risk management system that is appropriate in its main part, provisions on organization of risk management for brokers dealers of the securities market, recommended by the IOSCO or established by a relevant regulatory legal act of the Republic of Kazakhstan or the AIFC regulatory body | + | + |
| 7. | Availability of connection to the electronic document exchange system eTransfer.kz | + | + |

##### Notes to the table

* 1. in column 2 "+" means that the requirement is applicable to candidates for clearing participants (clearing participants) in the "currency" category;
  2. in column 3 "+" means that the requirement is applicable to candidates for clearing participants (clearing participants) in the "exchange" category and/or in the "derivatives" category.