

KAZAKHSTAN STOCK EXCHANGE JSC

A p p r o v e d

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

(minutes No. 44 of the meeting
dated April 29, 2021)

E f f e c t i v e

from June 28, 2021

RULES

for the use of trading and clearing accounts for
the purpose of concluding transactions

Developer: Trading Department

city of Almaty

2021

LIST OF AMENDMENTS

1. Change No. 1:

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No. 61 of the meeting dated June 23, 2021);
- effective from July 1, 2021.

2. Change and additions No. 2:

- approved by a decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes No. 35 of the meeting dated April 19, 2023);
- effective from April 20, 2023.

These Rules were developed in accordance with the internal documents of Kazakhstan Stock Exchange JSC (hereinafter – the Exchange) and determine the conditions for the use of trading and clearing accounts for the purpose of concluding transactions at the trading conducted by the Exchange.

Article 1. Basic concepts and designations

1. For the purposes of these Rules:
 - 1) a trading and clearing account means an account in the trading and clearing system of the Exchange, which is a combination of a trading account and a clearing account coinciding with it by number, which ensures the execution, accounting and control of transactions and/or operations carried out using such a trading account;
 - 2) a trading participant's client is understood as an individual or legal entity that has entered into contractual relations with a trading participant for the purpose of concluding transactions by such trading participant on behalf of, at the expense and in the interests of this person;
 - 3) a client code means a code assigned to a client of a trading participant Central Securities Depository JSC (hereinafter – the Central Depository) used in the stock market or a code assigned to a client of a trading participant in accordance with the Exchange's internal document "Instruction on the procedure for assigning codes to members of Kazakhstan Stock Exchange JSC and their accounts, users of trading systems, issuers of securities and financial instruments" used in the currency market.
2. Other concepts and designations used in these Rules are identical to the concepts defined by the legislation of the Republic of Kazakhstan, the internal document "Rules for execution of exchange activities" and other internal documents of the Exchange.

Article 2. General provisions

1. In order to conclude transactions, trading and clearing accounts are opened for trading participants in the manner prescribed by the Exchange's internal document "Instruction on the procedure for assigning codes to members of Kazakhstan Stock Exchange JSC and their accounts, users of trading systems, issuers of securities and financial instruments".
2. Transactions on the stock market may be concluded using the following trading and clearing accounts of trading participants:
 - 1) own trading and clearing account;
 - 2) client trading and clearing account;
 - 3) client trading and clearing account for aggregated position accounting.
3. In the currency market, transactions can be concluded using the following trading and clearing accounts of trading participants:
 - 1) own trading and clearing account;
 - 2) client aggregated trading and clearing account.
4. In the derivatives market, transactions can be concluded using the following trading and clearing accounts of trading participants:
 - 1) own trading and clearing account;
 - 2) client trading and clearing account.

Article 3. Conclusion of cross-transactions

1. The settings of the trading and clearing system prohibit the trading participants from entering into cross-transactions using the trading and clearing accounts specified in items 2–4 of Article 2 of these Rules.
2. Cross transactions in the stock market include the following transactions:
 - 1) in the parameters of any of the orders of the opposite direction, the client code is not indicated and the same own account is used;
 - 2) in orders of the opposite direction, the codes of the clients at the expense of which the transaction is concluded are indicated, and these codes are the same (registered for the same client).
3. An order submitted on the stock market on a client account for aggregate position accounting must contain the client code (*this item was changed by a decision of the Exchange's Management Board dated June 23, 2021*).
4. Cross-transactions in the currency market include the following transactions:
 - 1) in the parameters of any of the orders of the opposite direction, the client code is not indicated and the same own, client or client aggregated trading and clearing account is used;
 - 2) in orders of the opposite direction, the codes of the clients at the expense of which the transaction is concluded are indicated, and these codes are the same (registered for the same client).
5. An order placed on the currency market using a client's aggregated trading and clearing account may contain the code of the client on whose behalf and in whose interests such an order is submitted.
6. Cross transactions in the derivatives market include the following transactions:
 - 1) in the parameters of orders of the opposite direction, the same own or client's trading and clearing account is used;
 - 2) in orders of the opposite direction, different trading and clearing accounts are used, while the details¹ of such accounts are the same.

Article 4. Procedure for registration and cancellation of clients in the currency market

1. Taking into account the specifics established by item 5 of article 3 of these Rules, a trading participant in the currency market registers its client by sending to the Exchange an application for registration of a trading participant's client, drawn up according to the form of the appendix to these Rules.
2. Upon receipt of an application for registration of a client, the Exchange registers the client in its information systems no later than the next working day after receiving such an application.
3. If necessary, a trading participant has the right to cancel the registration of his client by sending an application to the Exchange in any form indicating the client's code and the date from which it is necessary to exclude this client from the information systems of the Exchange.
4. Cancellation of the client's registration is carried out only in case of complete closure of previously opened positions in his name.

¹ Details of the trading and clearing account are indicated by the trading participant in the respective application for opening such an account, established by the Exchange's internal document "Rules for Clearing Activities on Transactions with Financial Instruments".

5. The trading participant is fully responsible for the accuracy of the data provided in the application and independently keeps records of clients registered on the Exchange.

Article 5. Procedure for registration and removal of clients in the stock market

1. Information on client codes comes from the Central Depository to the trading and clearing system on the day such a code is assigned to a client.
2. After receiving information from the Central Depository about the removal of the client's code, the Exchange excludes him from the trading and clearing system. At the same time, the member of the Exchange is solely responsible for the existence of obligations registered under such client code.

Article 6. Final Provisions

1. These Rules and all changes and/or additions to them are brought to the attention of trading participants / clearing participants by posting on the Exchange's website (www.kase.kz).
2. These Rules are subject to updating as necessary, but at least once every three years, calculated from the date of entry into force of these Rules.
3. Responsibility for the timely introduction of changes and/or additions (updating) to these Rules rests with the trading division.

Chairperson of the Management Board

A. Aldambergen

Appendix

to the Rules for the use of trading and clearing accounts for the purpose of concluding transactions

**APPLICATION²
for client registration**

We hereby ask Kazakhstan Stock Exchange JSC to register in the trading and clearing system ASTS + (currency market) the client [full name of the member of the Exchange of the "currency" category] with the following details:

No.	Requisites	
1.	code ³ of the member of the Exchange	
2.	Client code	
2-1.	SMA client ⁴ short code	
<i>(This line was included by a decision of the Exchange's Management Board dated April 19, 2023)</i>		
3.	Client Type	Credit institution <input type="checkbox"/> Pension Fund <input type="checkbox"/> Investment fund <input type="checkbox"/> Broker <input type="checkbox"/> Insurance organization <input type="checkbox"/> Other legal entity <input type="checkbox"/> Individual <input type="checkbox"/> Legal entity – non-resident <input type="checkbox"/> Individual – non-resident <input type="checkbox"/>
4.	Code of the country ⁵	

[Position of the first head]

[signature]

[Surname, initials]

² The application must be drawn up on the letterhead of the organization – a member of the Exchange.

³ The code set upon admission to the Exchange membership is indicated.

⁴ If the client code needs to be set in relation to any SMA client, the short code of this SMA client is indicated. Otherwise, the line is not filled (*this footnote was included by a decision of the Exchange's Management Board dated April 19, 2023*).

⁵ Specify the numeric code of the country in accordance with the international standard ISO 3166-1, of which the client is a resident (*numbering of this footnote was changed by a decision of the Exchange's Management Board dated April 19, 2023*).