



## PRESS RELEASE

city of Almaty

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### **KASE conducted a self-assessment of its activities in calculating indexes and indicators for compliance with the IOSCO principles**

Kazakhstan Stock Exchange JSC (hereinafter – KASE, the Exchange), as the organizer of securities trading, independently calculates indexes and indicators of the money and stock markets (hereinafter – the Indicators), which demonstrate to investors and analysts the changes taking place in a certain segment of the securities market and increase the recognition of the stock market of the Republic of Kazakhstan throughout the world.

Currently, KASE publishes 33 indicators, including:

- 21 stock market indexes: KASE Index, ESG bond indexes, government and corporate bond indexes;
- 10 indexes monetary market : TONIA, TRION, SWAP-1D and SWAP-2D, TONIA Compounded Index and etc.
- 2 composite indexes: TONIA Compounded Index and Money and Bond Market Index.

In order to comply with recognized international standards for quality, transparency and responsibility, KASE conducted a self-assessment of its activities in calculating indexes and indicators of the stock and money markets for compliance with the document of the International Organization of Securities Commissions (IOSCO) "Principles for Financial Benchmarks" (hereinafter – the IOSCO Principles for Financial Benchmarks).

The IOSCO Principles for Financial Benchmarks were developed as a basic international standard aimed at increasing transparency and reducing uncertainty in the calculation of financial benchmarks.

Compliance with the IOSCO principles in terms of indicator calculation activities ensures transparency and reliability of data, strengthens market participants' trust, complies with international standards and makes the market attractive to global investors. This minimizes the risks of manipulation and errors, maintains high calculation quality and simplifies interaction with regulators.

The IOSCO Principles for Financial Benchmarks include requirements for the regulation of financial benchmarks, in terms of:

- control systems and monitoring system;
- responsibility of the financial indicator administrator;
- quality of calculation of the financial indicator;
- quality of the financial indicator methodology.

According to the results of the conducted self-assessment of the formation of financial indicators, KASE complies with all the basic principles, namely:

- **Control and management:** the formation of the Indicators is controlled by KASE's Indexes and Indicators Committee, which includes an independent representative of the Association of Financiers of Kazakhstan, the management and specialists of the Exchange.
- **Formation policy:** the main goals, principles of formation and distribution of Indicators are defined by the Policy for the formation of KASE indexes and indicators.
- **Calculation Methods and Transparency of the Structure:** The Exchange independently develops Methodologies for the formation of Indicators, which contain detailed information on the structure of the Indicators and on the measured representative lists, and publishes them on its website, while the Exchange presents an announcement of the publication of a new or revised Methodology in the form of a press release or news.

- Regular review: the Exchange's Management Board and Indexes and Indicators Committee periodically review the current Methodologies for the formation of Indicators in order to determine the need to change the Methodologies, as well as to ensure the maintenance of the reliability of the Indicators.
- Data used: only data from the KASE trading platform, the regulated market of Kazakhstan, is used for calculations. All data is publicly available on the Exchange's website.

KASE's report on compliance with the IOSCO Principles for Financial Benchmarks is published on KASE's website at [https://kase.kz/files/mix/report\\_iosco\\_eng.pdf](https://kase.kz/files/mix/report_iosco_eng.pdf).

KASE following the principles of IOSCO, increases its competitiveness, strengthens its market position and ensures the long-term sustainability of the financial infrastructure, which contributes to integration into the international financial community.

In order to develop the stock market of the Republic of Kazakhstan, KASE regularly updates the list of indexes, improves the algorithms for disclosing representative lists of indexes and improves communication with market participants. These steps help evaluate the effectiveness of investment portfolios and compare them with other market benchmarks.

#### **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.

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) and other international and local professional associations, as well as a participant of the UN's "Sustainable Stock Exchanges" initiative.

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