

Notice of administrative penalties imposed

Herewith JSC "Kazakhstan Stock Exchange" (hereinafter – the Exchange) notifies its shareholders that the Committee on Regulation and Supervision of Financial Market and Financial Organizations of the National Bank of the Republic of Kazakhstan (hereinafter – FSC NBK) imposed administrative penalties on the Exchange in the form of two fines to the amount of 50 monthly calculation indices each, based on part 1 article 193 and article 197-1 of the Code of the Republic of Kazakhstan "On Administrative Offences".

In resolutions on imposing an administrative penalty dated March 29 and March 30, 2012 it is said that facts of presenting inaccurate data in the Exchange's reports to FSC NBK regarding orders submitted to the Exchange's trading system were detected.

The Exchange's specialists have analyzed the mentioned reports and detected the following:

- availability of separate facts of recording in the reports of surplus information about orders which have the "double" status and are not reflected in the quotations window of the trading system;
- availability of inaccuracy in displaying in the reports of information about the quantity of instrument with regard to separate market orders involving government securities;
- the reports are submitted to FSC NBK in one file (however, statutory acts stipulate separate, but identical with regard to substance, forms for reports on government and non-government securities, and it is not said anywhere that the reports must be submitted in different files).

In its correspondence with the FSC NBK, the Exchange has drawn attention of the authorized body to the fact that the above-mentioned features of provision of market data (*note: the Exchange considers these facts features of data, but not inaccurate data*) on orders are not in any way related to data on deals being concluded at the Exchange, and do not distort data on deals concluded. Reports submitted by the Exchange to the authorized body carry an informational character as follows from its content. Accordingly, even if the detected features of these reports are to be considered inaccuracies, they have not led to any considerable consequences for entities of the securities market and the state, neither do they influence the overall financial position of entities of the securities market, or lead to any losses on the part of the securities market's entities or on the part of the state.

Upon request of any of its shareholders, the Exchange is prepared to provide more detailed information with regard to this issue, as well as copies of the above-mentioned resolutions.