



## PRESS RELEASE

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### **KASE commissions new ASTS+ trading and clearing system and services of Central Counterpart on the stock market with regard to deals concluded in that system**

On December 3, 2019 Kazakhstan Stock Exchange (KASE, or the Exchange) commissions the new ASTS+ trading and clearing system (TCS) and takes over functions of the Central Counterpart (CCP) on the stock market.

The ASTS+ system was developed based on the MOEX's TCS as part of implementation of the Agreement on strategic partnership with Moscow Exchange OJSC signed on October 10, 2018.

The introduction of the ASTS+ TCS required a host of preparatory measures, among which were: adaptation of the system to local nuances of Kazakhstan's securities market, ensuring its integration with all systems of KASE and its partners, development of necessary internal documents. Currently, the new system is being tested by market participants.

A remarkable feature of the ASTS+ TCS is high reliability and capability, the ergonomics of the terminal in terms of the speed and accuracy of data entry and visualization.

The transition of instrument trading from the current trading system to the ASTS+ will be carried out by stages. At the first stage – from December 3 – trading in the following items will be carried out in the ASTS+:

- shares, securities of investment funds, ETF, – with settlements in tenge;
- Eurobonds, depositary receipts – with settlements in US dollars.

At the same time, trading in Eurobonds with settlements in tenge and other financial instruments of the stock market, including repo market instruments, will be conducted in KASE's current trading system on current terms until the announcement of the second stage of the trading's transition to the ASTS+.

Trading modes in the ASTS+ will be represented by two categories, with each of them defining the settlement base and terms of collateral provision:

- "List T+" – financial instruments admitted to trading with partial collateral;
- "List T0" – financial instruments admitted to trading on terms of full prepayment.

From December 3, 2019 the Exchange will also take over functions of the central counterpart on the stock market on deals in financial instruments concluded in the ASTS+.

Currently, KASE has been carrying out functions of the central counterpart on two exchange markets: on the derivatives market since 2012, and on the currency market since October 1, 2018.

The Exchange, acting as the CCP, takes over the risk of participants and guarantees settlement of the deal concluded. The Exchange's execution of the CCP's functions on the stock market on deals concluded in the ASTS+ TCS will increase the reliability of that market and will allow attracting additional liquidity to it.

As part of implementation of the CCP on the stock market, KASE has developed a risk management system featuring assessment of credit risks of trading participants and assessment of market risks – risks of change in rates of financial instruments traded on the exchange, as well as instruments of management of such risks.

The IT-modernization of the Exchange and the availability of the CCP institute are part of KASE's development strategy for 2020-2021 that is aimed for improvement of exchange services and growth of liquidity of exchange markets by means of attracting new participants to it, implementation of a wider range of financial instruments and use of new technologies.

**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 sixth rank in terms of the equity market capitalization among the FEAS exchanges.

It is a universal trading platform for repo market instruments, foreign currencies, government and corporate securities, bonds of international financial institutions 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 Sustainable Stock Exchanges initiative.

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