

WEEK OF STOCK MARKET OF KAZAKHSTAN

July 11 - 17

Money market indicators as of July 17 and weekly changes

Term	Currency	Rate	Trend
"Overnight" on autorepo at KASE(TONIA)			
1 day	KZT	6.13	+1.21
Repo opening at KASE (WA, % APR)			
1-2 days	KZT	6.10	+1.19
7 days	KZT	5.59	+0.15
14 days	KZT	6.02	+0.23
KIBOR (indicative, % APR)			
1 week	KZT	8.00	+0.33
2 weeks	KZT	8.58	-0.09
1 month	KZT	9.50	-0.17
2 months	KZT	10.33	-0.34
3 months	KZT	11.33	-0.34

Stock market indicators as of July 17 and their weekly change

Index	Value	Trend
Shares of "A" listing		
KASE_Shares	113.9401	+0.23%
Corporate bonds of "A" listing		
KASE_BP	125.10	-0.004%
KASE_BC	105.68	-0.05%
KASE_BY	10.27	+0.11%
Euronotes of Kazakhstan		
KASE_EP	140.15	-0.15%
KASE_EC	114.83	-0.39%
KASE_EY	4.99	+2.75%

US dollar = **153.65** tenge at official rate for the end of the period
 US dollar = **154.76** tenge at weighted average rate of the Exchange for the end of the period
 Weekly rate of tenge devaluation at the Exchange's rate – **1.98% APR**

THE CORPORATE SECURITIES MARKET (CS)

In CS purchase-sale sector a total of 38 deals amounting to **\$23,061.0th** or KZT3,545.6m were made. In comparison with the previous period (34 deals, \$5,137.7th or KZT791.1m) volume of the sector increased 4.5 times as much. Deals were made by seventeen instruments seven of which were bonds. It should be noted that spectrum of instruments, with which deals were made, turned out to be unusually wide. Last week brokers were interested in eleven securities five of which were bonds.

As a whole CS purchase and sale sector made positive impression. The market was not so active for very long time. This is notable not only by total volume of deals, which turned out to be higher than within the whole previous month, but by wide spectrum of traded securities, and also – by rather small amount of direct deals. All categories of investors, including pension assets management companies, took active part in the trade. Even despite significant part of "hidden repo" deals, purchase and sale sector seemed to market one within the week.

There are different opinions about activation of trade with CS. It might be caused by volatility of dollar rate to KZ tenge, which increase lately, and significant separation of official dollar rate from stock exchange's one. There is the time of coupon payments on corporate bonds at the market. This always causes redistribution of money between affiliated structures, which is accompanied by adequate securities flow. It is not excepted that at present PAMC conduct restructuring of controlled portfolios "preparing" space for new securities of foreign

Investment attractiveness of stock exchange instruments from July 11 to July 17

Financial instrument	Currency of transaction	Yield, %	APR value	trend
Instruments denominated in national currency, tenge				
TXBNb1	KZT	15.00		-0.12
MEOKAM, MEAKAM	KZT	7.71		-0.05
MEKKAM, notes	KZT	*5.76		+0.32
GS repo	KZT	*5.57		+1.02
CS repo	KZT	*1.57		-10.00
Instruments indexed by devaluation				
VITAb3	USD	14.60		+0.60
SMGZb1	USD	13.00		-1.19
ALKSb2	USD	11.95		-0.10
VTBNb1	USD	11.49		+0.17
RGBRb2	USD	11.16		+0.16
KZASb1	USD	11.00		0
ASFib2	USD	10.92		+0.11
TEBNb2	USD	10.80		0
BTASb2	USD	10.36		0
CSBNb1	USD	10.29		+0.43
BTASb1	USD	10.27		0
ASFib1	USD	10.23		-0.03
TEBNb	USD	10.16		0
CCBNb2	USD	9.99		0
ATFBb2	USD	9.28		0
ALBNb1	USD	8.97		0
KZTKb1	USD	8.92		-0.41
KARMb1	USD	8.72		-0.03
CCBNb1	USD	8.56		-0.02
BRKZb1	USD	8.53		-0.10
SYRGb1	USD	8.50		0
HSBKb2	USD	8.31		-0.60
HSBKb	USD	8.20		-0.01
TMJLb2	USD	7.79		-0.05
ARU060.003	USD	6.66		-0.01
KZTOb	USD	6.52		-0.04
VKU036.001	USD	6.30		0
ASU036.003	USD	6.25		-0.02
ARU024.002	USD	3.69		-0.07
ASU012.002	USD	0.66		-0.71
Instruments, denominated in foreign currency				
BTASe1	USD	9.97		+0.71
KKGBe2	USD	9.20		0
KZTOe1	USD	9.14		+0.02
ENU07.05	USD	5.04		+0.07
ENU02.10	USD	4.89		+0.94
ENU04.10	USD	4.06		+0.34
Supranational bonds	DEM	3.99		-0.10
Supranational bonds	USD	1.45		-0.07

The yields at which the deals have been made are calculated as average of the deals, for other corporate bonds – as average of offer bids. The correspondent ratio of last week is given in the parentheses. Securities marked by an asterisk are the instruments with less than a year circulation term (for them effective weighted average rate is given).

issuers with “A” category. Permission to purchase these securities due to pension funds’ assets will come to effect in the nearest future. In the opinion of some professional market participants, main categories of Kazakhstan investors begin preparing for Autumn redemption of euronotes of the country’s sovereign debt already now and change the structure of portfolios. Compliance of bonds sellers also plays certain role and due to it securities yield to maturity for a purchaser slowly but stably grows (tables in the beginning of the review).

In the sector of bonds trades most deals were accompanied by the growth of securities yield for a purchaser as well as the previous week. The yield of BTASe1 rose from 9.72% to 9.77%APR, CSBNb1 – from 9.90% to 10.29%APR, KZTOe1 – from 9.06% to 9.14%APR, VTBNb1 – from 11.05% to 11.49%APR. Only KZTKb1 (from 9.33% to 8.67%APR) and RGBRb2 (from 11.50% to 11.32%APR) were traded with yield decrease. Besides, the first deal in VITAb3 was made within the week. Its yield to maturity amounted to 14.60%APR.

Capitalization of stock exchange’s market of corporate bonds within the period decreased by \$0.3m to \$721.6m mainly due to rate decrease of the mentioned bonds.

Shares market was also unusual, but most deals here were direct and looked like “hidden repo” deals. The main volume (\$13.2m) was formed by three deals in BTAS, the rate of which increased by 48.5%. The price of CCBN rose by 17.9%, MMGZp – 17.2 times; BSUL – 495.6 times; price of KZMS fell by 9.7%, KZTKp – by 27.5%, NFBN – by 0.02%; price of KTTH has not changed (KZT5,600 per security). Two deals in CSBN and CSBNp were made. Prices of these shares, by the results of the week, equaled to \$2.27 and \$1.10 correspondingly.

Capitalization of shares market reached **\$2,139.2m** by the end of the described period and increased within the week by \$686.8m. The main reason of such the significant change of one of the major indicators of stock exchange’s market were clean deals. Three of them have been conducted on common shares of Bayan-Sulu OJSC at one price. These shares’ (KZ1C24120012, KASE official "B" listing category, BSUL) face value is KZT15.00 and were sold at KASE last on September 27, 2000 at \$0.36 per security that is equal to KZT51.34 by stock exchange’s rate on the date of the deal conducting. The new price of the shares reached on July 11 KZT25,446.00 per share with volume of deals equal to 1,779 shares or USD294.5th. The fourth deal concerned privileged shares of Mangistaumunaigas OJSC (KZ1P05020213, KASE official "B" listing category, MMGZp). With face value of KZT1,000.00 and price on previous stock exchange’s deal equaling to KZT611.6 per a security (May 27, 02) 4,879 shares were sold on September 11 at the rate of KZT10,543.00, Amount of the deal equaled to USD334.7. It is notable that all described deals were direct that means that they were conducted through KASE trade system by brokers (or rather by one broker) without an element of trade. Thus, they can not be considered true market deals.

The tables show data on deals, bid and ask in CS purchase and sale sector and also decoding of trade codes.

Results of the trades in shares on July 11 – July 17

(KZT per share, unless otherwise specified)

Issuer	Security code	Last price	Volume, shares	Volume, th USD	purchase	Sale
Almaty Kus OJSC	ALKS		0	0	23.74	47.34
Almaty Kus OJSC	ALKSp		0	0	13.87	26.13
Almaty Kus OJSC	ALKSp3		0	0	10.48	10.76
Astana-Finance OJSC	ASFI	1,014.96	0	0	612.00	1,200.00
AMB OJSC	ATFBp	830.74	0	0	832.35	1,106.64
Bayan-Sulu OJSC	BSUL	*25,446.00	1,779	294.5	*25,446.00	,
Bank TuranAlem OJSC	BTAS	18,794.00	107,860	13,177.0	18,794.00	18,792.00
Bank CenterCredit OJSC	CCBN	*242.00	345,300	543.5	*242.00	*242.00
BANK CASPIAN OJSC	CSBN	350.00	756,000	3,092.5	630.00	340.00
BANK CASPIAN OJSC	CSBNp	170.00	124	0.1	170.00	170.00
Halyk Bank of Kazakhstan OJSC	HSBK	186.71	0	0	130.00	180.00
Halyk Bank of Kazakhstan OJSC	HSBKp	150.00	0	0	143.00	200.00
KAZKOMMERTSBANK OJSC	KKGB	*68.85	0	0	38.54	76.85
KAZKOMMERTSBANK OJSC	KKGBp	44.38	0	0	44.70	89.15
Kaztorgtehnika OJSC	KTTH	*5,600.00	940	34.2		*5,600.00
Corporation Kazakhmys OJSC	KZMS	*13,844.70	1,370	123.3	*13,844.70	18,444.00
Kazakhtelecom`	KZTK	3,062.00	0	0	2,003.82	3,996.20
Kazakhtelecom	KZTKp	*2,459.20	1,699	37.2	1,695.54	*2,459.20
Mangistaumunaigas OJSC	MMGZp	*10,543.00	4,879	334.7	*10,543.00	,
Neftebank OJSC	NFBN	*1,650.00	16,659	178.9		1,499.22
TEMIRBANK OJSC	TEBN	1,000.00	0	0	500.00	1,000.00
TEMIRBANK OJSC	TEBNp		0	0	500.00	1,000.00
UKTMK OJSC	UTMK	*5,350.00	0	0	4,470.06	8,914.60
UKTMK OJSC	UTMKp	6,123.60	0	0	3,545.22	7,070.20
VALUT-TRANZIT BANK OJSC	VTBN	200.00	0	0	420.00	432.60
VALUT-TRANZIT BANK OJSC	VTBNp	340.00	0	0	430.00	442.90

Issuer	Security code	Last price	Volume, shares	Volume, th USD	purchase	Sale
Avtokombinat OJSC	Z ABTOKOMB		0	0		450.00
Akku JSC	Z AKKU		0	0		170.00
"SHMO" OJSC	Z CHMUNAI		0	0		750.00
Darbazinskiy karier OJSC	Z DARBKARER		0	0		200.00
Zhualynskaya PAK OJSC	Z JUALAVTO		0	0		450.00
Corporation Kazreklama OJSC	Z KAZREK		0	0	34.30	40.00
KELESHEK OJSC	Z KELESH		0	0	740.00	1,000.00
AIC Kommesk-omir OJSC	Z KOMESK		0	0		29,500.00
Rosa OJSC	Z ROSA		0	0	100.00	200.00
Sary-arkageologiya OJSC	Z SARIARGE0		0	0		150.00
Shardara-Astyk OJSC	Z SHARDAST		0	0		150.00
Uigentas-Astyk OJSC	Z UGENASTK		0	0		300.00
Zerde OJSC	ZERD	*1,404.00	0	0		6.50
TOTAL	39		1,236,610	17,815.8		

Results of the trades in bonds from July 11 – July 17 (% APR, unless otherwise specified)

Issuer	Bond code	On the last deal	Volume, th, USD	Purchase	Sale
DB Alfa-Bank OJSC	ALBNb1		0	12.0665	8.9706
Almaty Kus OJSC	ALKSb2	12.0458	0	12.8767	11.9693
Astana-finance OJSC	ASFib1	10.5000	0	11.9954	10.2598
Astana-finance OJSC	ASFib2		0	12.9970	10.9494
AMB OJSC	ATFBb2		0	9.9868	9.2768
Development Bank of Kazakhstan OJSC	BRKZb1	9.1000	0	9.5459	8.6306
Bank TuranAlem OJSC	BTASb1	10.8333	0	10.8967	10.2739
Bank TuranAlem OJSC	BTASb2	10.5001	0	10.9016	10.3648
TuranAlem Finance B.V.	BTASe1	9.7662	1,134.0	9.5692	9.9981
Bank CenterCredit OJSC	CCBNb1	11.0190	0	12.0275	8.5689
Bank CenterCredit OJSC	CCBNb2		0	10.6290	9.9938
BANK CASPIAN OJSC	CSBNb1	10.2949	158.9	10.2949	10.2949
Halyk Bank of Kazakhstan OJSC	HSBKb	11.0249	0	11.9976	8.2092
Halyk Bank of Kazakhstan OJSC	HSBKb2		0	10.9999	8.9219
Karazhanbasmunai OJSC	KARMB1	12.5930	0	14.1487	8.7312
KAZKOMMERTSBANK OJSC	KKGBe2		0	11.1961	9.2013
DAGOK Kustanaiasbest OJSC	KZASb1	*12.1994	0	11.9951	11.0015
Kazakhtelecom	KZTKb1	8.6718	3,630.1	8.6718	9.2570
NOTC KazTransOil CJSC	KZTOb	6.6924	0	8.8940	6.5915
NOTC KazTransOil CJSC	KZTOe1	9.1408	196.3	9.1408	9.1408
RG BRANDS OJSC	RGBRb2	11.3157	40.4	11.0115	11.3157
SHAHARMUNAIGAS OJSC	SMGZb1	*14.1948	0	19.0048	12.9954
SHNOS OJSC	SYRGb1	10.8001	0	11.9977	8.5001
TEMIRBANK OJSC	TEBNb	10.4876	0	11.0030	10.4924
TEMIRBANK OJSC	TEBNb2	10.9815	0	11.2026	10.8004
Kazakhstan Temir Joly NC CJSC	TMJLb2	9.4987	0	9.9964	7.9192
TEXAKABANK OJSC	TXBNb1		0	17.0000	15.0000
VITA OJSC	VITAb3	*14.5967	64.8	*14.5967	14.0234
VALUT-TRANZIT BANK OJSC	VTBNb1	11.4883	20.7	11.4883	12.1096
TOTAL	29		5,245.3		

Notes: bid and offer prices are given for the period; if no deals were made during reporting period (volume =0), the last price of successful trades will be given; marked by a star are indicative quotations in Quotation trade system of KASE unlike the bids submitted in regular trade mode, or the price of direct deals and indicators calculated with its using.

In the repo sector of CS 2 deals were made in the total amount of \$280.8th (KZT43.2m). Of them 1 deal (in the amount of \$6.5th) was repo opening and 1 deal (in the amount of \$274.3th) - repo closing. Last week volume of deals in this sector amounted to \$2,192.6th (KZT337.3m).

In all CS trade floors of KASE (including SBS sale sector and primary floatation) a total of 40 deals amounting to **\$23,341.8th** (KZT3,588.8m) were concluded within the analyzed period. Last period volume of 43 deals did not exceed \$7,330.3th. (KZT1,128.4m).

SECTOR OF GOVERNMENT SECURITIES (GS)

In GS purchase and sale sector of KASE (including euronotes of Kazakhstan) a total volume of 76 deals reached **KZT3,635.5m** (\$23,640.4th.). Corresponding figure of the previous week did not exceed KZT3,048.5m

(\$19,806.7th). Volume in the sector remains unchanged as well as its structure. There is notable decrease in the turnover of the share of the shortest securities – notes of the National Bank of Kazakhstan. This was caused by two factors: by change of tactics of behavior of one pension market subject, which is the main purchaser of notes at auctions and send them afterwards in “shortened” type at stock exchange; by decrease of issue volume because of limited tenge liquidity at financial market.

There is one more peculiarity – increase of Kazakhstan euronotes yield for a purchaser with simultaneous falling of their prices. It rose in the indexed average expression (KASE_EY) within 7days by 2.75% up to 4.99%APR. The main effect here is made chiefly by second issue bonds. Dynamics of these securities prices allows to speak about situation, which is about to fall. Investors, who purchased these euronotes long ago and at low prices, capitalize profit. Securities lose their attractiveness and have limited demand with rather large offer for coupon payments on this issue are not expected any more. Close but less expressed situation is seen in the third issue bonds. And only euronotes market with redemption in 2007 seems to be stable in prices.

Parameters of Exchange’s transactions in GS from July 11 to July 17

(in parentheses are comparable figures of the previous period)

Days till maturity	Yield to maturity for a buyer, % APR.				Volume, mln tenge discounted	Number of deals
	min	max	last deal	weighted average		
Discounted (KZT): notes						
					11.2% (35.8%) of purchase and sale sector’s turnover	
8 - 14	5.21	5.21	5.21	5.21 (4.91)	2.5	1
15 - 28	5.22	5.22	5.22	5.22 (5.07)	1.3	1
29 - 36	5.27	5.27	5.27	5.27 (5.29)	14.9	1
43 - 56	5.50	5.54	5.54	5.51 (5.51)	158.8	2
57 - 63	5.54	5.96	5.76	5.73 (-)	93.1	5
64 - 91	5.69	5.78	5.76	5.75 (5.76)	137.7	5
Total					408.4 (1,092.8)	15 (23)
Coupon (KZT): MEOKAM-24, 36,48						
					45.8% (36.7%) of purchase and sale sector’s turnover	
less than 730	6.95	8.26	7.38	7.70 (7.76)	1,626.3	31
1096 - 1460	8.25	8.25	8.25	8.25 (-)	39.7	1
Total					1,666.1 (1,119.2)	32 (23)
Euronotes of Kazakhstan (USD)						
					42.9% (27.4%) of purchase and sale sector’s turnover	
*80	4.66	5.11	5.11	4.89 (3.95)	253.7	4
**816 - 817	3.48	5.10	3.57	4.07 (3.72)	262.5	7
***1734 - 1740	4.81	5.20	4.90	5.04 (4.97)	1,044.8	18
Total					1,561.0 (836.4)	29 (15)
GRANDTOTAL					3,635.5 (3,048.5)	76 (61)

Notes: for euronotes (* - second issue ** – third issue, *** – fourth issue) volume of the deals are calculated at weighted average USD/KZT rate of Exchange.

In GS repo-transactions sector 388 deals were made for a total of **KZT54,578.7m** (including automatic repo sector) during the period. Of this number 207 deals (for KZT27,269.7m) were repo opening deals and 181 (amounting to KZT27,309.0m) were repo closing deals. Last period the volume of transactions of this type reached KZT60,763.6m. Now there are less free money at the market in accordance with conducting of budget payments. After closing of the trades on July 17 total amount of opened at KASE repo equaled to KZT15,021.9m. Parameters of automatic repo market are given in the table.

Major parameters of automatic repo market from July 11 through July 17

(in parentheses – comparable figures of previous period)

Instrument (currency, term or repo)	Yield, % APR					Volume, M KZT	Number of deals	Portion, %
	at first deal	MIN	MAX	at last deal	weighted average			
KZT_001	5.00	4.00	10.00	7.50	5.41 (4.51)	19,045.0	137	73.8 (92.2)
KZT_002	5.00	5.00	5.00	5.00	5.00 (5.50)	150.0	1	0.6 (0.03)
KZT_003	5.00	5.00	5.01	5.01	5.00 (4.00)	490.0	5	1.9 (0.1)
KZT_007	5.40	5.00	6.50	5.88	5.71 (5.34)	3,520.0	28	13.6 (4.3)
KZT_014	5.90	5.60	6.50	6.50	6.02 (5.72)	985.0	7	3.8 (2.4)
KZT_028	6.25	6.00	6.50	6.50	6.44 (5.86)	1,610.0	8	6.2 (1.0)
TOTAL						25,800.0 (28,720.4)	186	100.0

Total of **464 deals** were made at trade floors of KASE amounting to **KZT58,214.2m** in GS on trade floors of KASE during the week (purchase-sale and repo sector). The previous period volume of 386 deals equaled KZT63,812.1m. This week **the proportion of the Exchange’s turnover** in total volume of deals on Kazakhstani secondary market for GS for comparable operations equaled **95.6%**, for last week it was 88.8%.

INFORMATION ON ISSUERS

VALYUT-TRANZIT BANK OJSC (Karaganda), whose shares and bonds are traded at Kazakhstan Stock Exchange (KASE) under the highest listing category, informed KASE with official letter about the amount of dividends rate on privileged shares for the third quarter of 2002. It is said in the letter, that amount of dividends will equal to 25 tenge per one common share. In accordance with specification of the issue of the bank's shares rate of dividends on privileged shares has been set equal to the rate of refinancing of the National Bank of Kazakhstan on the date, which was officially announced dividends payment. Dividends on privileged shares of VALYUT-TRANZIT BANK OJSC are paid every quarter. According to the information which KASE possesses, dividends amount per one privileged share of the bank in the first quarter of 2002 equaled to 8.5 tenge.

Besides, VALYUT-TRANZIT BANK OJSC informed KASE with official letter about changing of its location. According to the copy of the certificate about state re-registration of juridical person presented to the stock exchange, and registered changes and additions into the bank's charter, at present the whereabouts of VALYUT-TRANZIT BANK OJSC is: Bukhar Zhyrau ave., 51/1, Karaganda, 470061.

On July 11, 2002 VALYUT-TRANZIT BANK OJSC KASE with official letter about the fact that on June 24, 2002 the bank ended floatation of its inscribed coupon bonds of the first issue (KZ2CUY05A425; KASE official "A" listing category, VTBnb1; \$100, \$10.0m; September 27, 01 – September 27, 06, semi-annual coupon 11.5%APR in the first year of circulation, afterwards – by the decision of the bank's Board of directors, but not less than 6.0%APR), which were included into KASE "A" listing category since October 4, 2001. The bank informed that the whole registered issue volume in the amount of 100,000 securities has been floated. By July 1, 2002 according to the issuer's data 96.9% of the issued bonds (96,917) are in nominal holding of Central depository of securities CJSC (Almaty), 3.1% (3,083) – in the possession of the subjects of insurance market.

Bayan-Sulu OJSC (Kostanai; production and realization of confectionery) informed Kazakhstan stock exchange (KASE) about change of national identification number (NIN) of common inscribed stocks of the forth issue (trade code - BSUL) from KZ1C24121211 to KZ1C24120012. Common inscribed stocks of Bayan-Sulu OJSC were included into official securities list of "B" category at KASE on August 12, 1998.

BANK CASPIAN OJSC (Almaty) informed Kazakhstan stock exchange (KASE) with official letter about the fact that on July 15, 2002 the bank made the second coupon payment on its inscribed bonds of the first issue (KZ2CUY03A370; KASE official "A" listing category, trade code – CSBnb1; \$100, \$15.0m; July 13, 01 – July 13, 04, semi-annual coupon 9.5%APR). Payment date – July 13 – was a day off and in accordance with it payments were made on July 15. According to issuer's data the payment has been made in strict compliance withy bonds issue terms on the basis of USD4.75 per one security. Total amount of payments equaled to **KZT96,478,678.80** that is equivalent to USD627,912.00 at the rate of the National Bank of Kazakhstan, which is in effect on the payment date (KZT153.65 for one dollar). The bank also informed that bonds primary floatation was made among residents of Kazakhstan. At present 88.13% of the registered issue volume have been floated. At this, 53.38% of bonds are in banks' portfolios, 40.39% – in portfolios of accumulative pension funds, 6.23% of securities were purchased by investors of other categories.

Development Bank of Kazakhstan CJSC (Astana) informed KASE about the fact that by the decision of the Board of directors since July 10, 2002 A.K. Irubayeva has been appointed a member of Auditing commission – chief manager of internal audit of Development Bank of Kazakhstan CJSC.

KASE NEWS

By the decision of Kazakhstan Stock Exchange's (KASE) Council **since July 12, 2002** trades on BANK CASPIAN OJSC (Almaty) common inscribed (KZ1C31450014) and privileged inscribed (KZ1P31450417) shares are opened at the stock exchange. The shares have been included into KASE "A" listing category since July 1, 2002. They have obtained trade code **CSBN** and **CSBNp** correspondingly. Status of market-maker of CSBN and CSBNp at KASE was given on the basis of the submitted application to **R.G. Securities OJSC** (Almaty). Minimal volumes of compulsory quotations for market-maker have been set in the amount of 2,000 common and 2,000 privileged shares.

The Ministry of finance of Kazakhstan informed Kazakhstan Stock Exchange (KASE) with official letter about the fact that it supports KASE offer about the necessity of introduction in effect the acting legislation of norms, setting responsibilities of domestic executive bodies in case of non-fulfillment by them of their obligations before

holders of municipal bonds. The Ministry of finance informed, that at present, it develops the project resolution of Kazakhstan Government "About introduction of change and additions into the decree of the Government of Kazakhstan from September 4, 2001 #1139", providing introduction of corrections into the rules of issue, floatation, circulation, maturity and servicing of mid-term state issue securities of domestic executive bodies concerning introduction of penalty provisions to domestic executive body – issuer of municipal bonds in case of non-fulfillment by it of its obligations on payment of any amount at maturity or servicing these bonds, and determination of responsibility of such issuer in case of breaking by him terms of issue, circulation, servicing, redemption of issue securities issued by him.

KASE offer about the necessity of setting of responsibilities of domestic executive bodies – municipal bonds issuers was caused by daily delay, which happened in March of the current year by the Akimat of Atyrau oblast of first coupon payment on its bonds of the second (KZE4KY020023, KASE code – ARU024.002, \$100, KZT1,882.9m, September 26, 01–September 25, 03, semi-annual coupon 8.00%APR) and the third (KZE4KY050038, ARU060.003, \$100, KZT872.0m, September 26,01– September 24,06, semi-annual coupon 8.60APR) issues.

In the letter of the Ministry of finance there has been expressed opinion that introduction of the developed norms does not contradict to the Civil code of the Republic of Kazakhstan.

Prepared by IRBIS agency