

# KAZAKHSTAN STOCK EXCHANGE

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**Appendix L6**  
to Rules of Exchange  
Securities Trading

**Agreed on**

with the National Bank  
of the Republic of Kazakhstan

on July 29, 2003

Deputy Chairman of the National Bank  
of the Republic of Kazakhstan

**Approved**

by the decision of Kazakhstan  
Stock Exchange Council

(protocol No. 20 of August 6, 2003)

**Effective**

from August 7, 2003

N. ABDULLINA

**NOTICE**

Mentioned below Rules in English have been translated by employees of Kazakhstan Stock Exchange for information purposes only. In case of any incompliance of this translation with Rules original version in Russian, the latter prevails.

## **RULES**

### **of Foreign Government Securities Admittance to Circulation**

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Almaty  
2003

## LIST OF AMENDMENTS

### 1. Change No 1:

- agreed on with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on February 12, 2004;
- approved by the decision of Kazakhstan Stock Exchange Council (protocol No. 35 of December 30, 2003);
- effective from February 13, 2004.

### 2. Amendment No. 2:

- agreed on with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on February 12, 2004;
- approved by the decision of Kazakhstan Stock Exchange Council (protocol No. 2 of January 21, 2004);
- effective from February 13, 2004.

### 3. Changes No. 3:

- agreed on with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on June 16, 2004;
- approved by the decision of Kazakhstan Stock Exchange Council (protocol No. 12 of May 24, 2004);
- effective from June 17, 2004.

### 4. Changes No. 4:

- agreed on with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on July 21, 2004;
- approved by the decision of Kazakhstan Stock Exchange Council (protocol No. 20 of June 18, 2004);
- effective from July 22, 2004.

### 5. Changes No. 5:

- agreed on with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on May 24, 2005;
- approved by the decision of Kazakhstan Stock Exchange Council (protocol No. 7 of April 14, 2005);
- effective from May 25, 2005.

### 6. Change No.№ 6:

- agreed on with the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations on December 21, 2006;
- approved by the decision of Kazakhstan Stock Exchange Council (protocol No. 40 of December 28, 2006);
- effective from December 29, 2006.

These Rules define terms and the order of foreign government securities admittance to circulation on executed by Kazakhstan Stock Exchange (hereinafter – the Exchange) trades (to circulation on the Exchange) *(this paragraph was changed by the Exchange Council decision of January 15, 2004)*.

### Chapter 1. GENERAL PROVISIONS

1. Concepts used in these Rules mean the following:
  - 1) **"Depository"** – Central Securities Depository *(this paragraph was changed by the Exchange Council decision of April 14, 2005)*;
  - 2) **"foreign government securities admittance initiator "** or **"admittance initiator "** – the Exchange member who initiates admittance of foreign government securities to circulation on the Exchange;
  - 3) **"market-maker"** – the Exchange member, acknowledged by the Exchange as the market maker and who undertook responsibility to regularly announce and support securities quotations pursuant to certain Exchange internal documents.
2. For purposes of these Rules, to foreign government securities are also equated serial securities of another, other than the Republic of Kazakhstan, states, issued in compliance with the legislation of another, in relation to these states, states (international foreign government securities).
3. Foreign government securities issued by states having sovereign long-term credit rating valuations in a foreign currency not less than "BBB-" (by classification of Standard & Poor's and Fitch rating agencies) or "Baa3" (by classification of Moody's rating agency) are admitted to circulation on the Exchange. Given this, when considering rating valuations aimed at determining of foreign government securities compliance with the above mentioned requirements the Exchange Board:
  - 1) considers only those rating valuations set (confirmed, updated) during the last eighteen months;
  - 2) in case of existence of rating valuations set by several rating agencies, considers the highest of those valuations *(this sub-item was changed by the Exchange Council decision of May 24, 2004)*.
  - 3) *(this sub-item was excluded by the Exchange Council decision of May 24, 2004)*.*(this sub-item was changed by the Exchange Council decision of December 30, 2003)*.
4. Only the Exchange category "P" members having the license for broker and dealer activities at the first category securities market can act as IFO securities admittance initiators (with the right to keep clients' accounts as the nominal holder).
5. Only those foreign government securities are admitted to circulation on the Exchange and can circulate on the Exchange, which:
  - 1) are registered by the Depository (will be implemented by the Depository after admittance of these securities to circulation on the Exchange);
  - 2) have the market-maker (will have the market-maker after admittance of these securities to circulation on the Exchange).

### Chapter 2. PROCEDURES

6. Admittance of foreign government securities to circulation on the Exchange is made by its Board based on the following documents:
  - 1) developed in the free form the admittance initiator's application;
  - 2) the Depository letter with the following information on these securities (hereinafter – the Depository letter):
    - name of the state – these securities issuer;
    - name of the state, in compliance of the legislation of which these securities were issued;

- these securities type;
- international securities identification number (ISIN);
- these securities circulation start date;
- these securities maturity date;
- the rate (amount) of interest on these securities *(this paragraph was changed by the Exchange Council decision of June 18, 2004)*;
- dates (temporary terms) of interest payment on these securities *(this paragraph was changed by the Exchange Council decision of June 18, 2004)*;
- 3) developed in the free form application of any Exchange category "P" member on entitling him the status of these securities market-maker.
7. The Exchange Board decision on admittance of foreign government securities to circulation on the Exchange is made not later than the following day after receipt of the last document out of specified in item 5 of these Rules documents, given that:
- 1) the Depository letter contains all information on these securities necessary in compliance with sub-item 2) of item 6 of these Rules;
  - 2) requirements established by items 3–5 of these Rules were observed.
8. The Exchange does not charge any fees for foreign government securities admittance to circulation on the Exchange *(this sub-item was changed by the Exchange Council decision of April 14, 2005)*.
9. The Exchange Board has the right to suspend foreign government securities circulation on the Exchange, in case of absence of their market-maker.
10. Foreign government securities circulation on the Exchange is discontinued due to their circulation period expiration. Given this, making any Exchange Board decision about such discontinuation is not required *(this item was changed by the Exchange Council decision of December 28, 2006)*.
11. The Exchange Board has the right to discontinue foreign government securities circulation on the Exchange, in case of absence of their market-maker during one month from the day of suspension of these securities circulation on the Exchange.

President

A. Joldasbekov