

**Law of the Republic of Kazakhstan No. 461
On The Securities Market
(dated July 2, 2003)**

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This Law shall regulate public relations arising in the process of the issue, placement, circulation and redemption of issue securities and other financial instruments, specifics of the creation and activities of securities market participants and define the procedures for regulation and supervision of the securities market in order to ensure its safe, open and efficient functioning, protection of the rights of investors and securities holders, fair competition among securities market participants.

CHAPTER I. GENERAL PROVISIONS

ARTICLE 1. BASIC CONCEPTS USED IN THIS LAW

The following concepts are used for the purposes of this Law:

- 1) an “**agent bond**” shall mean a bond issued by a financial agency;
- 2) an “**underwriter**” shall mean a professional securities market participant which possesses a license for broker and dealer activities and renders the services of issuance and placement of issue securities to issuers;
- 3) “**cancellation of an issue of issue securities**” shall mean the termination of the existence of an issue security as an object of civil rights;
- 4) a “**non-documentary security**” shall mean a security issued in the non-documentary form (as a set of electronic records);
- 5) “**blocking**” shall mean a temporary ban on the registration of civil right transactions with securities in the system of security holder registers and the system of nominee holding records imposed in order to guarantee the safety of securities;
- 6) a “**broker**” shall mean a professional securities market participant which effectuates transactions with issue securities and other financial instruments upon the instruction, at the expense and of the benefit of clients;
- 7) “**regulations**” shall mean documents which regulate the terms and procedures for activities of a securities market participant, its bodies, structural subdivisions (branch and representative offices), employees, provision of services and payment of fees;
- 8) a “**secondary securities market**” shall mean legal relations arising among securities market participants in the process of placed securities circulation;

- 9) a “**statement of a personal account**” shall mean a non-security document which is issued by a registrar or a nominee holder and confirms the rights of a registered person attached to issue securities at a definite point in time;
- 10) an “**issue of issue securities**” shall mean actions of an issuer aimed at issue securities emerging as an object of civil rights, or a totality of certain securities which are placed, circulated and redeemed in accordance with an offering circular;
- 11) the “**State Register of Issue Securities**” shall mean a totality of data regarding issuances of issue securities and their issuers formed by an authorized agency;
- 12) a “**state issue security**” shall mean an issue security which certifies the right of its holder to a loan where the borrower is the Republic of Kazakhstan Government, a local government or the National Bank of the Republic of Kazakhstan;
- 13) “**delisting**” shall mean a temporary or permanent exclusion of securities from the trade organizer’s list;
- 14) “**dematerialization of financial instruments**” shall mean a change in the means of confirmation of rights certified by financial instruments issued in the documentary form, where such rights are confirmed by electronic records in the record system of the central depository;
- 15) a “**depositor**” shall mean an entity which is the central depository’s client;
- 16) “**depositing**” shall mean keeping records of financial instruments of depositors and their clients by the central depository;
- 17) a “**security holder**” shall mean a person that is registered in the system of securities holder registers or the system of nominee holding records and has property rights under such security;
- 18) “**default**” shall mean failure to perform obligations under issue securities and other financial instruments;
- 19) a “**dealer**” shall mean a professional securities market participant performing transactions with issue securities and other financial instruments on its own behalf and at its own expense by way of putting quotations on the organized securities market and/or publishing them in mass media;
- 20) “**documentary securities**” shall mean securities issued in the documentary form (on a paper or other material carrier allowing the contents of a security to be read directly without using any special technical means);
- 21) a “**registered person**” shall mean a person which has a personal account in the system of securities holder registers or the system of nominee holding records;
- 22) an “**applicant**” shall mean a legal entity which submitted documents to the authorized agency in order to obtain a license for carrying out activities on the securities market;

- 23) “**investments**” shall mean all types of property (except goods intended for personal use) including leasing objects upon execution of a leasing agreement, as well as rights there to, which an investor contributes into the charter capital of a legal entity or an increase of fixed assets used for business;
- 24) an “**investment portfolio**” shall mean a totality of various types of financial instruments which are owned or managed by a securities market participant;
- 25) an “**investor**” shall be an individual or a legal entity making investments in the Republic of Kazakhstan;
- 26) an “**individual investor**” shall mean an investor which is not an institutional investor;
- 27) an “**institutional investor**” shall mean a legal entity which attracts funds in order to make investments in accordance with Republic of Kazakhstan legislation;
- 28) a “**mortgage bond**” shall mean a bond secured by a pledge of the right of claim under mortgage loan agreements (including a pledge of mortgage certificates) and other highly liquid assets the list of which is set forth by a normative legal act issued by the authorized agency;
- 29) a “**Kazakhstan depositary receipt**” shall mean a derivative issue security which confirms the right of ownership to a certain number of issue securities issued by an issuer which is a Kazakhstan non-resident under the laws of another country;
- 30) a “**custodian**” shall be a professional securities market participant which keeps records of clients’ financial instruments and money, confirms the rights thereunder, stores clients’ documentary financial instruments with the obligation to maintain their safety;
- 31) a “**qualification certificate**” shall mean a document issued by the authorized agency and certifying that an individual has certified and granted the right to provide services on the securities market in accordance with the category of such document (certification category);
- 32) a “**client**” shall mean a person which uses or intends to use the services of a professional securities market participant;
- 33) “**clearing of financial instrument transactions**” shall mean the off-setting of mutual claims and obligations of parties participating in settlements under financial instrument transactions;
- 34) a “**convertible security**” shall mean a security of a joint-stock company which is to be exchanged for another type of security in accordance with the terms and procedures of an offering circular;
- 35) a “**conflict of interest**” shall mean a situation where the interests of professional securities market participants and their clients do not match;

- 36) a “**securities quotation**” shall mean the supply and/or demand price of a security announced at a certain point in time on the organized securities market;
- 37) a “**quotation organization on an off-board securities market**” shall mean a legal entity organized as a joint-stock company which makes organizational and technical arrangements for trades by operating and maintaining a system of quotation exchanges between clients of such trade organizer;
- 38) “**leverage**” shall mean the ratio between the liabilities and the equity of an issuer;
- 39) “**listing**” shall mean the procedure for issue securities admission for circulation in the trade system of a stock exchange;
- 40) “**licensee**” shall mean a legal entity operating on the securities market on the basis of a license issued by the authorized agency;
- 41) a “**personal account**” shall mean a totality of records kept in the system of securities holder registers or the system of nominee holding records which allows an unambiguous identification of a registered person in order to register transactions and rights under issue securities and other financial instruments;
- 42) “**price manipulation**” shall mean actions of a professional securities market participant (security quotation, financial instrument transactions, dissemination of untrue information and other actions) aimed at misleading securities market participants in order to gain benefits in view of a price increase (decrease) on the securities market;
- 43) the “**national identification number**” shall mean a letter and number codification of issue securities by the authorized agency for the purpose of their identification and systematization of records;
- 44) “**non-state issue securities**” shall mean shares, bonds and other securities recognized as issue securities under Kazakhstan laws which are issued by non-state organizations;
- 45) the “**non-organized securities market**” shall mean an area of securities circulation where securities transactions are performed without compliance with the requirements of the regulations of the organizer of financial instrument trading for the subject matter of a transaction and its participants;
- 46) “**par value of a bond**” shall mean the money value of a bond established when issued on which a percentage of interest is accrued on a coupon bond and the amount to be paid to the holder when redeemed;
- 47) “**nominee securities holding**” shall mean keeping records and certification of rights under securities, registration of transactions therewith;
- 48) a “**secured bond**” shall mean a bond the performance of the issuer’s obligations thereunder is secured by a pledge of the issuer’s property,

- a guarantee or otherwise in accordance with civil legislation of the Republic of Kazakhstan;
- 49) a “**bond program**” shall mean the issue of bonds within which the issuer may effectuate several bond issues including those with a different issue structure defined by an appropriate offering circular;
- 50) “**securities circulation**” shall mean the performance of civil law transactions with securities on the secondary securities market;
- 51) “**declared issue securities**” shall mean securities the issue of which is registered by the authorized agency;
- 52) an “**option**” shall mean a derivative security of an established form the buyer of which acquires the right to buy or sell the base asset specified therein at a certain price following a certain period of time;
- 53) the “**trade organizer**” shall mean a stock exchange and a quotation organization of an off-board securities market;
- 54) the “**organized securities market**” shall mean an area of circulation of securities and other financial instruments where transactions therewith are effectuated in accordance with the regulations of the trade organizer;
- 55) a “**printed publication**” shall mean a periodical printed publication which meets the authorized agency’s requirements to the size and regions of its circulation and which securities market participants must use for publishing their notices and other information that must be published pursuant to this Law and other legislative acts of the Republic of Kazakhstan;
- 56) the “**primary securities market**” shall mean the placement of declared issue securities by an issuer (an underwriter or an issue consortium), except a subsequent placement of the previously redeemed securities by such issuer on the secondary securities market;
- 57) a “**payment agent**” shall mean a bank or an organization which performs certain types of banking operation;
- 58) “**redemption of securities**” shall mean an issuer’s actions to withdraw placed bonds from circulation by paying the interest and the bond par value (without the intention of subsequent sale) or converting it into a share(s) of the same issuer in accordance with the procedure set forth in the offering circular;
- 59) a “**representative of securities holders**” shall mean an organization which acts for the benefit of bondholders on the basis of an agreement with an issuer in the course of circulation of mortgage and other secured securities on the secondary securities market, payment of interest on the bonds and their redemption;
- 60) an “**order**” shall mean a document issued by a holder (acquirer) of financial instruments to a professional securities market participant containing an instruction to perform a certain action in respect of financial instruments owned by it or money intended for acquiring financial instruments;

- 61) “*derivative securities*” shall mean securities certifying rights to a base asset of given derivative securities;
- 62) an “*offering circular*” shall mean a document which contains information regarding the issuer, its financial status and issue securities to be issued, the volume of the issue, the number of securities in the issue and the procedures for their issue, placement, circulation, dividend (interest) payment, redemption and other information which may influence an investor’s decision to buy securities;
- 63) a “*professional securities market participant*” shall mean a legal entity organized as a joint-stock company licensed to operate on the securities market;
- 64) “*prudential standards*” shall mean financial standards established by the authorized agency to be met by an applicant and a licensee;
- 65) “*placement of issue securities*” shall mean the sale of securities to investors on the primary securities market;
- 66) “*placed issue securities*” shall mean issue securities fully paid by investors on the primary securities market;
- 67) a “*registrar*” shall be a professional securities market participant which forms, keeps and maintains a system of securities holder registers;
- 68) “*rating*” shall mean an individual letter and number evaluation index establishing a relative creditworthiness of an issuer or the quality and reliability of its securities;
- 69) an “*executive officer*” shall mean the head of a management body of an organization and his/her deputy, the head of a collective executive body of an organization (a person that solely performs the functions of an executive body) and his/her deputy, the chief accountant and his/her deputy, the head of a branch (representative) office and other employees that coordinate and/or control the operations of a structural subdivision on the securities market and have the right to sign documents on the basis of which transactions are performed on the securities market;
- 70) a “*self-regulating organization*” shall mean a legal entity created by professional securities market participants in the form of an association (union) in order to adopt unified rules and standards for carrying out their activities on the securities market;
- 71) a “*swap*” shall mean a derivative security certifying an agreement between two parties to exchange financial instruments on certain terms within a certain period of time;
- 72) the “*system of securities holder registers*” shall mean the aggregate of data regarding an issuer, issue securities and their holders that ensure the identification of holders of rights under issue securities at a certain point in time, registration of securities transactions and the character of registered limitations on the circulation or exercise of

- rights under such securities, and other information in accordance with the normative legal act of the authorized agency;
- 73) the “***system of nominee holding records***” shall mean the record system of a professional securities market participant rendering the services of nominee holding which contains data regarding securities holders and securities owned by them and ensures their identification at a certain point in time, registration of securities transactions and the character of registered limitations on the circulation or exercise of rights under such securities, and other information in accordance with the normative legal act of the authorized agency;
- 74) the “***trade organizer’s list***” shall mean the list of financial instruments admitted to circulation in the trade organizer’s trade system compiled and approved in accordance with the trade organizer’s regulations;
- 75) the “***structure of an issue***” shall mean information regarding the number, type and par value (for bonds) of issue securities to be issued;
- 76) the “***trade system***” shall mean a complex of material and technical means, regulations of the trade organizer and other necessary assets and procedures used for effectuating transactions with issue securities and other financial instruments between members of such trade organizer;
- 77) a “***transfer agent***” shall mean a professional securities market participant that provides services of receiving and transmitting documents (information) between its clients;
- 78) the “***authorized agency***” shall mean a state agency which regulates and supervises the securities market;
- 79) a “***manager of a securities portfolio or pension assets***” shall mean a professional securities market participant that performs trust management of objects of civil rights on its own behalf for the benefit and at the expense of its client;
- 80) a “***financial agency***” shall mean a bank or an organization which performs certain types of banking transactions authorized in accordance with Republic of Kazakhstan legislation to implement the state investment policy in certain spheres of the economy and, for this purpose, borrows on the internal and/or the external financial markets. The procedure of conferring the status of a financial agency and the requirements to the activities of financial agencies shall be established by the authorized agency;
- 81) a “***financial instrument***” shall mean securities (including derivatives) and other financial market assets admitted to circulation in the territory of the Republic of Kazakhstan;
- 82) a “***financial market***” shall mean a totality of relations connected with the rendering and use of financial services and circulation of financial instruments;
- 83) a “***stock exchange***” shall mean a legal entity organized as a joint-stock company which makes organizational and technical

arrangements for trades by conducting them with the use of the trade systems of the given trade organizer;

- 84) a “**futures**” shall mean a derivative security circulating on the organized securities market the buyer of which assumes an obligation to sell (buy) a base asset under the terms of a deal following a certain period of time;
- 85) “**hedging**” shall mean protection of property interests against risks of changing prices, exchange rates, interest rates or other possible indices the state of which has an impact on the generation of revenues or losses to securities market participants by way of transactions with financial instruments;
- 86) a “**security**” shall mean a set of certain records and other indications certifying property rights;
- 87) the “**central depositary**” shall mean a professional securities market participant which registers transactions with financial instruments, keeps records and confirms the rights of depositors (their clients) under financial instruments, conducts the dematerialization and storage of financial instruments issued in the documentary form, including clearing of financial instrument transactions between depositors, and maintains the system of securities holder registers if licensed;
- 88) “**issue securities**” shall be securities of one issue which have similar features and data and which are placed and circulated based upon common terms of such issue;
- 89) an “**issue consortium**” shall mean an association of underwriters established on the basis of a joint operations agreement in order to render securities issue and placement services to issuers;
- 90) an “**issuer**” shall mean a legal entity that issues issue securities in accordance with legislation of the Republic of Kazakhstan.

ARTICLE 2. REPUBLIC OF KAZAKHSTAN LEGISLATION ON THE SECURITIES MARKET

1. Republic of Kazakhstan legislation on the securities market shall be based on the Constitution of the Republic of Kazakhstan and shall consist of the Civil Code of the Republic of Kazakhstan, this Law and other normative legal acts of the Republic of Kazakhstan.
2. If an international treaty ratified by the Republic of Kazakhstan establishes rules other than those contained herein, the rules of such international treaty shall apply.
3. The rules of this Law shall apply to legal relations arising in the course of the issue, placement, circulation and redemption of state securities, issue securities issued by banks, organizations performing certain types of banking operations, insurance (reinsurance) organizations, investment funds, cumulative pension funds, unless otherwise provided by legislative acts of the Republic of Kazakhstan.

ARTICLE 3. STATE REGULATION OF THE SECURITIES MARKET

1. The state regulation of the securities market shall be conducted by the authorized agency designated by the President of the Republic of Kazakhstan.
2. The authorized agency shall:
 - 1) identify priorities in the area of the security market formation and development by agreement with the Government of the Republic of Kazakhstan;
 - 2) carry out the state policy of ensuring the functioning of the securities market in the Republic of Kazakhstan and forming the infrastructure of the national securities market, protection of investor rights and interests on the securities market;
 - 3) adopt normative legal acts relating to the state regulation of the securities market within its authority;
 - 4) recognize financial market assets as securities;
 - 5) establish the conditions and procedures for issuing and circulation of non-state securities, derivative securities and their state registration, reviewing placement and redemption reports in respect of non-state issue securities and derivative securities and their cancellation, including state registration of issue securities of Kazakhstan non-residents and international organizations that are to be issued and placed in the territory of the Republic of Kazakhstan;
 - 6) maintain the State Register of Issue Securities and the register of licenses and permits for carrying out activities on the securities market;
 - 7) suspend and renew placements of non-state issue securities and derivatives, cancel issues of non-state issue securities and derivatives;
 - 8) define the rules for carrying out professional and other licensed activities on the securities market, including the requirements to the terms and procedures for effectuating securities transactions, their registration and reporting;
 - 9) recognize activities on the securities market as professional activities;
 - 10) define the terms and procedure for issuing licenses for types of activities on the securities market;
 - 11) establish types of prudential standards and other indices or criteria (standards) of licensee financial stability, the procedure and methods of their calculation;
 - 12) issue licenses for types of activities on the securities market, suspend, renew and revoke licenses;
 - 13) coordinate the regulations of licensees;
 - 14) give consent to appointments of licensee executive officers;

- 15) define the procedure for submitting licensee reports and their forms;
- 16) issue permits for training specialists for work on the securities market, suspend, renew, extend and revoke such permits;
- 17) establish requirements for training specialists for work on the securities market and control compliance therewith;
- 18) conduct the certification of individuals for the right to carry out activities on the securities market, re-certification of qualification certificate holders; issue qualification certificates to individuals who have passed the certification and extend the qualification certificates for those who have passed the re-certification; suspend, renew and revoke qualification certificates;
- 19) supervise the activities of issuers, licensees and organizations training specialists for work on the securities market, inspect their activities within its authority;
- 20) exercise control over the activities of qualification certificate holders;
- 21) publish information relating to securities market matters using all information about securities market participants available to it (except information which is a professional, commercial and other secret protected by law) and information regarding measures which it has taken with respect to securities market participants;
- 22) perform other functions and authority in respect of state regulation of the securities market in accordance with Kazakhstan legislation.

ARTICLE 4. OBJECTS OF THE SECURITIES MARKET

1. Objects of the securities market shall be:
 - 1) non-state issue securities of organizations that are Kazakhstan non-residents the issue of which is registered with the authorized agency in accordance with the procedure established by this Law and other legislation of the Republic of Kazakhstan;
 - 2) non-state issue securities of organizations that are Kazakhstan non-residents the issue of which is registered with the authorized agency or which are admitted to circulation on the organized securities market in the Republic of Kazakhstan in accordance with the procedure established by a normative legal act of the authorized agency;
 - 3) non-state issue securities of organizations that are Kazakhstan residents the issue of which is registered under the laws of a foreign state and which are admitted to

circulation on the organized securities market in the Republic of Kazakhstan in accordance with the procedure established by a normative legal act of the authorized agency;

- 4) issue securities of international financial organizations the issue of which is registered under the laws of a foreign state or which are admitted to circulation on the organized securities market in the Republic of Kazakhstan in accordance with the procedure established by a normative legal act of the authorized agency;
 - 5) state issue securities;
 - 6) derivative securities and other financial instruments.
2. Types of issue securities shall be determined in accordance with the Civil Code, this Law and other legislative acts of the Republic of Kazakhstan.

ARTICLE 5. SECURITIES MARKET PARTICIPANTS

1. Individual and institutional investors, issuers, professional securities market participants, trade organizers and self-regulating organizations shall be securities market participants.
2. Individual investors shall invest in issue securities individually or using the services of professional securities market participants licensed for broker and dealer or investment portfolio management activities.
3. Institutional investors shall invest using the services of professional securities market participants licensed for investment portfolio or pension assets management activities, except instances stipulated by laws of the Republic of Kazakhstan.
4. A resident of the Republic of Kazakhstan shall be entitled to issue and place issue securities in the territory of a foreign state if its previously issued securities are listed on the stock exchange operating in the territory of the Republic of Kazakhstan.

CHAPTER II. STATE REGISTRATION OF AN ISSUE OF ISSUE SECURITIES

ARTICLE 6. STATE REGISTER OF ISSUE SECURITIES

1. The terms and procedure for maintaining the State Register of Issue Securities shall be established by normative legal acts of the authorized agency.
2. Issue securities the issue of which is cancelled or information of which is not entered into the State Register of Issue Securities may not be the subject of securities market transactions.

3. Information regarding securities registered and admitted to circulation in the Republic of Kazakhstan and their issuers shall be entered by the authorized agency into the State Register of Issue Securities within one day following the date of the respective decision of the authorized agency.

ARTICLE 7. ISSUE OF STATE ISSUE SECURITIES

1. The terms and procedure for issuing state issue securities, their placement, circulation and redemption shall be established by legislation of the Republic of Kazakhstan.
2. The procedure for assigning national identification numbers to state issue securities shall be established by a normative legal act of the authorized agency.

ARTICLE 8. STATE REGISTRATION OF AN ISSUE OF NON-STATE ISSUE SECURITIES

1. The state registration of an issue of non-state issue securities shall be conducted by the authorized agency in accordance with the terms and procedures established by this Law and normative legal acts of the authorized agency.
2. The state registration of an issue of non-state issue securities shall include:
 - 1) a review of submitted documents and their examination for compliance with legislation of the Republic of Kazakhstan;
 - 2) assignment of national identification numbers to issue securities and entering data regarding such securities and their issuers into the State Register of Issue Securities;
 - 3) issuing of a certificate of state registration of the issue of issue securities and the offering circular.
3. Documents of an issue of non-state issue securities shall be reviewed by the authorized agency within thirty calendar days following their submission for state registration.

If additional documents are submitted for state registration of an issue of non-state issue securities, the authorized agency may extend the review period for not more than thirty calendar days.
4. The issuer and its officials shall be responsible for misrepresentations in the documents submitted to the authorized agency for state registration of an issue of non-state issue securities and failure to meet deadlines of document submission in accordance with the laws of the Republic of Kazakhstan.
5. The authorized agency may not deny state registration of an issue of non-state issue securities for reasons of inadvisability.

ARTICLE 9. OFFERING CIRCULAR

1. An offering circular must contain the following data regarding:
 - 1) the issuer and types of its activities;
 - 2) the shareholders (participants) owning ten and more (in a public joint-stock company – five and more) percent of the placed shares (equities) in the issuer;
 - 3) the structure of the issuer's bodies with data regarding the executive officers and their titles for the last three years and data regarding the shares (equities) in the issuer owned by them;
 - 4) the issuer's assets with their balance sheet values, consumers and suppliers of goods (works, services) in amounts of five and more percent of the total value of produced or consumed goods (works, services);
 - 5) an appraisal of the issuer's property (when issuing secured bonds);
 - 6) accounts payable and accounts receivable constituting five and more percent of the balance sheet value of the issuer's assets, their maturity and a list of creditors (debtors);
 - 7) the issuer's affiliates, except persons indicated in paragraph 2) of this section;
 - 8) the number of declared issue securities, their type (category), methods of payment, return on securities received, including the par value of bonds, their maturity and redemption procedure;
 - 9) the procedure for securities conversion (when issuing convertible securities);
 - 10) a representative of bondholders (when issuing mortgage and other secured bonds);
 - 11) a payment agent;
 - 12) the registrar maintaining the system of registers of holders of the issuer's securities.
2. The issuer's audited financial reports for the last two financial years (except newly created issuers) and financial reports as of the end of the month before the filing for state registration of issue securities shall be an integral part of an offering circular.
3. The structure of an offering circular and the procedure for its compilation and completion shall be established by normative legal acts of the authorized agency.
4. An issuer shall inform the authorized agency of changes in the data contained in the offering circular within ten calendar days following their occurrence, except for data indicated in paragraphs 4) and 6) of Section 1 of this Article.

An issuer may not change the terms of issuing, placement, circulation, payment of interest on bonds and their redemption set forth in the offering circular in instances where the rights and interests of bondholders are prejudiced.

5. The requirements for offering circulars stipulated in Section 1 and 2 of this Article shall not apply to offering circulars of agent bonds, bonds with maturity of not more than three months, bond programs and bonds issued within a bond program.
6. An offering circular shall be submitted to the authorized agency in the state and Russian languages.

ARTICLE 10. DENIAL AND SUSPENSION OF STATE REGISTRATION OF AN ISSUE OF ISSUE SECURITIES

1. The authorized agency may deny state registration of an issue of issue securities if an issuer violates the terms and procedures for filing for state registration and misrepresentations are found in the submitted documents in the course of their reviewing.
2. The authorized agency may suspend the state registration of an issue of issue securities if during a review of the submitted documents it becomes necessary to have additional information regarding the issuer and its activities.

The authorized agency shall resume the state registration of an issue of issue securities after the issuer submits additional information.

3. An issuer may judicially appeal the authorized agency's decision to deny state registration of an issue of issue securities.

ARTICLE 11. STATE REGISTRATION OF AN ISSUE OF DECLARED SHARES

1. An issue of declared shares in the amount stipulated by a joint-stock company's charter shall be subject to state registration with the authorized agency. The decision regarding state registration of an issue of declared shares shall be adopted by the constituent meeting (the sole founder) or the general shareholders meeting (the shareholder holding all voting shares) of a joint-stock company. A joint-stock company shall be obliged to submit documents for state registration of an issue of declared shares within thirty calendar days following the date of its state registration as a legal entity or, in case of changes in the offering circular, following the date of the decision to increase the number of declared shares adopted by the general shareholders meeting (the shareholder holding all voting shares).
2. The decision regarding state registration of an issue of declared shares adopted by the constituent meeting (the sole founder) or the general shareholders meeting (the shareholder holding all voting shares) must contain the following:

- 1) the place and date of the constituent meeting (general shareholders meeting) with the indication of the issuer's name and location;
- 2) a list of the founders who took part in the constituent meeting or information regarding the number of voting shares in the joint-stock company represented at the general shareholders meeting;
- 3) the types and categories of shares and their total number;
- 4) the number of shares placed among the founders and the procedure for their payment;
- 5) par value of shares placed among the founders.

The provisions of paragraphs 1) and 2) of this Section shall not apply to a joint-stock company created by the sole founder and a joint-stock company where all voting shares are owned by one shareholder.

3. State registration of an issue of declared shares shall be made on the basis of the following documents to be submitted by a joint-stock company:
 - 1) an application in any form;
 - 2) a copy of the minutes of the constituent meeting (the sole founder's decision) regarding the state registration of an issue of declared shares or the general shareholders meeting (the decision of the shareholder holding all voting shares) regarding the registration of changes in the declared shares offering circular;
 - 3) a copy of the joint-stock company's charter;
 - 4) a copy of the certificate of state registration (re-registration) of the joint-stock company;
 - 5) a copy of the joint-stock company's statistical card;
 - 6) two copies of the offering circular;
 - 7) documents evidencing the payments for the declared shares placed among the joint-stock company's founders.
4. If the submitted documents meet the requirements of Republic of Kazakhstan legislation, the authorized agency shall conduct the state registration of an issue of declared shares by assigning a national identification number(s) to the shares and issuing (sending) a certificate of state registration of an issue of declared shares and a copy of the declared shares offering circular with the authorized agency's notation of state registration to the joint-stock company.
5. The procedure for assigning a national identification number(s) to declared shares shall be established by a normative legal act of the authorized agency. All declared shares of one category shall have one national identification number.

6. The rights attached to the shares of the founders (the sole founder) of a joint-stock company shall be registered by the registrar after the state registration of an issue of declared shares.
7. After authorized agency approves the placement report(s) for all declared shares the general shareholders meeting (the shareholder holding all voting shares) may adopt the decision to increase the number of declared shares indicated in the joint-stock company's charter and amend the charter and the offering circular for declared shares accordingly. The authorized agency shall register such amendments to the offering circular and replace the certificate of state registration of an issue of declared shares within fourteen calendar days on the basis of documents submitted by the joint-stock company to confirm such amendments.

ARTICLE 12. STATE REGISTRATION OF AN ISSUE OF NON-STATE BONDS

1. For the purposes of state registration of an issue of non-state bonds, an issuer shall submit the following documents to the authorized agency:
 - 1) an application in any form;
 - 2) a copy of the decision of the issuer's body in respect of the issue of bonds containing information regarding the procedures for issuing, placement, circulation and redemption of bonds, the use of proceeds from the bond placement received by the issuer, the volume of the issue, the number and type of bonds, their par value and the rights of bondholders;
 - 3) two copies of the bond offering circular (bond program prospectus);
 - 4) a copy of the charter;
 - 5) a copy of the certificate of state registration (re-registration) of a legal entity;
 - 6) a copy of the statistical card;
 - 7) in the case of issuing mortgage or other secured bonds, documents confirming the security of the performance of obligations by the issuer and a copy of the agreement with a representative of bondholders;
 - 8) a copy (an excerpt from) of the minutes of the general meeting of shareholders (participants) and a copy of the page in the printed publication which published a notice of the general meeting of shareholders (participants) at which the decision to issue bonds was adopted, if under Kazakhstan laws bonds may not issued without the prior decision of the general meeting of the issuer's shareholders (participants).
2. The terms and procedure for assigning a national identification number to bonds and issuing a certificate of state registration of an

issue of non-state bonds shall be established by normative legal acts of the authorized agency. Each issue of bonds within a bond program shall have its national identification number.

3. An issuer may submit documents for state registration of an issue of non-state bonds after the founders (the sole founder) have paid the charter capital and not before the second year of its existence, provided that it operated without losses in the most recent financial year.

ARTICLE 13. SPECIFICS OF STATE REGISTRATION OF A BOND PROGRAM AND AN ISSUE OF BONDS WITHIN A BOND PROGRAM

1. The state registration of a bond program shall be conducted by the authorized agency within fourteen calendar days following the receipt of a bond program prospectus.

The structure and contents of a prospectus of a bond program and issues of bonds within such bond program and the procedure for their completion shall be established by a normative legal act of the authorized agency.

The state registration of the first issue of bonds within a bond program may be conducted concurrently with the state registration of such bond program if the issuer so desires.

2. The authorized agency shall review documents submitted by an issuer to the authorized agency for state registration of an issue of bonds within a registered bond program within seven calendar days following the date of their submission.
3. If an issuer and its documents submitted for state registration of a bond program or an issue of bonds within a bond program meet the requirements of this law and other normative legal acts of the Republic of Kazakhstan, the authorized agency shall conduct such registration and issue a certificate of state registration of a bond program or an issue of bonds within a bond program to the issuer.
4. If an issuer and its documents submitted for state registration of a bond program or an issue of bonds within a bond program do not meet the requirements of legislation of the Republic of Kazakhstan, the authorized agency shall send a grounded denial of state registration to the issuer.

After the issuer eliminates the grounds for the denial of state registration the authorized agency shall review its documents in accordance with Sections 1 and 2 of this Article.

5. The authorized agency may deny an issuer state registration of an issue of bonds within a bond program if:
 - 1) the stock exchange trades in the bonds issued within the given bond program are suspended;
 - 2) there has been a delisting of the bonds issued within the given bond program;

- 3) the state registration of an issue of bonds within the given bond program has resulted in the total amount of bond issues in circulation exceeding the registered volume of such bond program;
- 4) the issuer does not meet the requirements set forth in section 14.1 hereof as of the date of submission of documents for state registration of an issue of bonds within a bond program.

CHAPTER III. SPECIAL TERMS OF BOND ISSUE AND CIRCULATION

ARTICLE 14. ISSUE OF BONDS WITHIN A BOND PROGRAM

1. An issuer organized as a joint-stock company may issue bonds within a bond program provided that:
 - 1) it has not been in default;
 - 2) it has operated without losses during the last three years;
 - 3) it meets the trade organizer's requirements to issuers which seek listing of bonds issued within a bond program by the trade organizer.
2. An issuer may effectuate bond issues of differed structures with a bond program.
3. The requirements for the terms and procedures for an early redemption of bonds issued within a bond program, special terms and limitations to be met by an issuer which issues bonds within a bond program shall be set forth in a bond program prospectus.

ARTICLE 15. SUBSEQUENT ISSUE OF BONDS

1. An issuer may effectuate a subsequent issue of bonds, while its previously issued bonds circulate on the secondary securities market in the Republic of Kazakhstan, subject to the specifics set forth in Section 2 of this Article, provided that the issuer complies with one of the following conditions:
 - 1) as of the date of submitting documents to the authorized agency for state registration of an issue of bonds, the issuer has a minimum required rating given by one of the rating agencies in accordance with the requirements set forth by a normative legal act of the authorized agency, and, based on the results of the last quarter prior to the submission of documents to the authorized agency for state registration of an issue of bonds, the leverage is not more than two and will not exceed this value once all bonds of a new issue are placed;
 - 2) the newly issued bonds are mortgage bonds;
 - 3) as of the date of submitting documents to the authorized agency for state registration of an issue of bonds, the issuer has had

outstanding or untimely performed obligations to redeem the previously issued bonds or pay interest on bonds circulating on the secondary securities market.

2. A bank or an organization carrying out certain types of banking operations may effectuate a subsequent issue of bonds, while its previously issued bonds circulate on the secondary securities market in the Republic of Kazakhstan, subject to the conditions set forth by a normative legal act of the authorized agency.

ARTICLE 16. ISSUE OF BONDS WITH MATURITY OF NOT MORE THAN THREE MONTHS

1. Bonds with maturity of not more than three months may be issued by an issuer which has its securities listed in the top listing category of the stock exchange and meets the requirements of paragraphs 1) - 3) of Section 15.1 hereof.
2. Bonds with maturity of not more than three months shall be placed and circulate only in the trade system of the stock exchange.
3. The terms and procedures for state registration of an issue of bonds with maturity of not more than three months shall be established by a normative legal act of the authorized agency.

ARTICLE 17. ISSUE OF CONVERTIBLE BONDS

1. An issuer organized as a joint-stock company may issue convertible bonds. The charter of a joint-stock company must provide for the possibility of issuing convertible bonds.
2. Bonds shall be converted into a joint-stock company's shares in accordance with the terms and procedures for converting bonds into the issuer's shares set forth in a bond offering circular.

ARTICLE 18. FINANCIAL AGENCY. ISSUE OF AGENT BONDS

1. The status of a financial agency shall be conferred by the authorized agency to a bank or an organization carrying out certain types of banking operations which is established by the Government of the Republic of Kazakhstan or the National Bank of the Republic of Kazakhstan on the basis of the following documents:
 - 1) an application;
 - 2) normative legal acts of the Republic of Kazakhstan establishing the terms and procedures for implementing the state investment policy;
 - 3) the applicant's regulations which establish the terms and procedures of its activities for implementing the state investment policy and contain rules for borrowing, implementation of investment solutions, risk management;

- 4) financial reports as of the end of the most recent month and calculations of the prudential standards established for a financial agency by a normative legal act of the authorized agency.

Documents submitted for the status of a financial agency shall be reviewed by the authorized agency within fourteen calendar days following the date of their submission.

The status of a financial agency shall be conferred by the authorized agency provided that it has no comments on the submitted documents.

The terms and procedures for deprivation of the status of a financial agency shall be established by a normative legal act of the authorized agency.

2. The terms and procedures for issuing, circulation and redemption of agent bonds, the list of documents to be submitted by a financial agency to the authorized agency for the purposes of state registration of agent bonds, and the procedure for state registration of an issue shall be established by a normative legal act of the authorized agency.

ARTICLE 19. REPRESENTATIVE OF BONDHOLDERS

1. In the case of issue and circulation of mortgage and other secured bonds the interests of bondholders before the issuer shall be represented by a representative of bondholders (the “representative”).

An issuer shall select a representative individually among professional securities market participants which carry out custodian and/or broker and dealer activities on the securities market.

A representative must not be an issuer’s affiliate.

2. Requirements to the contents of an agreement for representation of bondholders concluded between an issuer and a representative and the procedures and instances of an early termination of a representative’s authority shall be established by a normative legal act of the authorized agency.

ARTICLE 20. FUNCTIONS AND DUTIES OF A REPRESENTATIVE

1. A representative shall perform the following functions:
 - 1) control over the fulfillment of obligations to bondholders set forth in a bond offering circular by an issuer;
 - 2) control over the state of the property which is a security for the performance of obligations to bondholders by an issuer;

- 3) conclusion of a pledge agreement with an issuer in respect of the property which is a security for the performance of obligations to bondholders by an issuer;
 - 4) taking measures to protect the rights and interests of bondholders;
 - 5) informing bondholders of its actions pursuant to paragraphs 1) – 3) of this Section and results thereof.
2. In order to protect the rights and interests of bondholders, a representative shall:
- 1) identify circumstances that may result in breach of the rights and interests of bondholders and notify bondholders of such circumstances within three calendar days;
 - 2) represent the interests of bondholders in legal relations associated with the formalization and registration of the right of pledge to the property which is a security for the performance of obligations to bondholders by an issuer;
 - 3) exercise control over the state of the property which is a security for the performance of obligations to bondholders by an issuer in accordance with the procedures established by legislative acts of the Republic of Kazakhstan;
 - 4) exercise control over the timely payment of interest on bonds;
 - 5) inform the authorized agency and bondholders of the state of the property which is a security for the performance of obligations to bondholders by an issuer;
 - 6) notify the authorized agency and bondholders of the termination of its authority of a representative within three calendar days following the termination of the agreement with the issuer;
 - 7) provide the authorized agency and bondholders with information and documents concerning its activities of a representative at their request;
 - 8) not disclose information which constitutes a professional, commercial and other secret protected by law;
 - 9) realize the pledged property in accordance with Kazakhstan legislation in the event that an issuer fails to perform its obligations to bondholders.
3. The procedure for performing the functions and duties of a representative specified in Section 1 and 2 of this Article shall be established by a normative legal act of the authorized agency.

CHAPTER IV. PLACEMENT OF ISSUE SECURITIES

ARTICLE 21. INVESTOR'S RIGHT TO RECEIVE INFORMATION REGARDING AN ISSUE OF ISSUE SECURITIES

1. When placing issue securities an issuer (an underwriter, an issue consortium) shall deliver an offering circular or its copy for an investor's review at its first request.
2. An issuer (an underwriter, an issue consortium) may charge an investor for the provision of a copy of the offering circular in an amount not exceeding the cost of its production.
3. An investor may request the authorized agency to check the conformity of a copy of the offering circular with the offering circular kept by the authorized agency, delivering such copy to the authorized agency for the purpose.

ARTICLE 22. PROCEDURE FOR PLACING NON-STATE ISSUE SECURITIES

1. Non-state issue securities shall be placed subject to the limitations set by this Law and other legislative acts of the Republic of Kazakhstan.

An issuer (an underwriter, an issue consortium) may place issue securities through subscription on the non-organized securities market.

Issue securities shall be placed on the organized securities market in accordance with the regulations of the trade organizer.

2. An issuer shall be obliged to publish a notice of securities placement in the printed publication in the state and Russian languages within ten calendar days after the state registration of an issue of securities and before the commencement of their placement among an unlimited number of investors.

A notice of issue securities placement must contain the following:

- 1) the issuer's full name and location;
 - 2) the date of the state registration of an issue of issue securities, their type and number to be placed;
 - 3) information regarding the issuer's subdivisions and officials, the name and location of the underwriter (issue consortium) through which it is possible to familiarize with the offering circular or other information regarding the securities;
 - 4) information regarding the placement price of issue securities and their payment.
3. Issue securities shall be placed on the non-organized securities market through an auction or subscription on the basis of applications submitted in writing by investors to the issuer

(underwriter, issue consortium). Requirements to the terms and procedure for conducting auctions or subscription shall be established by the issuer's regulations.

4. It shall not be allowed to provide a preferential right to purchase issue securities to one investor over other another during the placement of issue securities, except where shareholders use their preemptive right to purchase shares or securities convertible into shares or the issuer performs its previously assumed obligations which establish the right of derivative holders to purchase issue securities of the given issuer.
5. When placing shares, an issuer (underwriter, issue consortium) shall be prohibited from entering into transactions with an obligation of their repurchase.
6. An issuer (underwriter, issue consortium) shall be obliged to give the registrar (nominee holder) an order to transfer the acquired issue securities to the investor's personal account in the system of securities holder registers within two business days following the day when the investor performs its obligation to pay for the securities.

ARTICLE 23. PAYMENT FOR ISSUE SECURITIES

1. The procedure and specifics of payments for shares shall be established by Kazakhstan legislation.
2. Bonds shall be paid for in cash only.
3. A placement of shares by subscription shall be effectuated at one price for all issue security acquirers within such placement.

A placement of bonds by subscription shall be effectuated in accordance with the terms and procedure defined in the bond offering circular.

ARTICLE 24. REPORT ON THE RESULTS OF PLACEMENT OF ISSUE SECURITIES

1. For the purposes of reviewing and approval of a report on the results of issue securities placement, an issuer shall submit the following documents to the authorized agency:
 - 1) an application for review of the report on the results of issue securities placement;
 - 2) financial reports as of the end of the reporting month or the date of the end of the issue securities placement;
 - 3) the report on the results of issue securities placement completed in accordance with the requirements established by normative legal acts of the authorized agency.
2. An issuer shall be obliged to submit to the authorized agency reports on the results of placement of securities for each six months (within

one month after each six month reporting period) before and after their complete placement.

An issuer may submit reports on the results of placement of securities to the authorized agency before the lapse of the periods indicated in this Section.

3. A report on the results of issue securities placement shall be reviewed by the authorized agency within fourteen calendar days.

The authorized agency may refuse to approve a report on the results of issue securities placement if a review of the report reveals untrue information on the results of issue securities placement.

In the event of a refusal to approve the report on the results of issue securities placement, the issuer shall be obliged to resubmit a corrected report to the authorized agency within thirty calendar days following the receipt of the refusal.

ARTICLE 25. SUSPENSION OF A PLACEMENT OF ISSUE SECURITIES

1. The authorized agency may decide to suspend a placement of issue securities if an issuer fails to submit a report of the results of an issue securities placement and if a review of the report reveals an inconsistency between the information indicated in the report and the documents submitted for state registration of an issue securities placement.
2. The decision to suspend a placement of issue securities shall be sent by the authorized agency to the issuer, the registrar maintaining the system of registers of holders of such securities and the central depository.
3. An issuer shall be obliged to publish a notice in the state and Russian language of the suspension of a placement of issue securities in a printed publication within three calendar days following the receipt of the authorized agency's decision to suspend a placement of issue securities and take all actions to eliminate the revealed violations within the time set by the authorized agency. A placement of issue securities shall be resumed after the elimination of the revealed violation on the basis of a written notice from the authorized agency.

ARTICLE 26. INFORMING INVESTORS OF THE SUSPENSION OF A PLACEMENT OF ISSUE SECURITIES

1. An issuer shall inform investors of the suspension of a placement of issue securities by:
 - 1) publishing the respective notice in a printed publication;
 - 2) disseminating the respective notice with the help of the registrar's services.

2. A notice of the suspension of a placement of issue securities must contain:
 - 1) the issuer's full name and address;
 - 2) the date of state registration of the issue of issue securities;
 - 3) information regarding the authorized agency's decision to suspend the placement of issue securities.

ARTICLE 27. INVALIDATION OF THE STATE REGISTRATION OF AN ISSUE OF ISSUE SECURITIES

1. The state registration of an issue of issue securities may be judicially invalidated.
2. The grounds for invalidating the state registration of an issue of issue securities shall be as follows:
 - 1) a breach of Republic of Kazakhstan legislation by an issuer;
 - 2) a discovery of untrue information in the documents based on which the state registration of an issuer as a legal entity was conducted;
 - 3) a discovery of untrue information in the documents based on which the state registration of an issue of issue securities was conducted.
3. The invalidation of the state registration of an issue of issue securities shall constitute a ground for canceling the issue of issue securities.

CHAPTER V. CIRCULATION OF ISSUE SECURITIES

ARTICLE 28. THE PROCEDURE FOR CIRCULATION OF ISSUE SECURITIES

1. The circulation of issue securities on the secondary securities market shall be effectuated by way of civil law transactions with the given securities effectuated by securities market participants on the organized and non-organized securities markets.
2. The terms and procedures for effectuating issue securities transactions and their registration in the system of securities holder registers or the system of nominee holder records shall be established in accordance with this Law and normative legal acts of the authorize agency.

ARTICLE 29. SUSPENSION OF CIRCULATION OF ISSUE SECURITIES

1. The authorized agency may decide to suspend the circulation of issue securities by blocking all or part of the issue securities on all or certain personal accounts in the system of securities holder registers and/or the system of nominee holder records in the event of a breach of the requirements stipulated in this Law and other normative legal acts of the Republic of Kazakhstan which establish:

- 1) the rights and interests of investors in the process of their acquiring issue securities;
 - 2) the terms and procedures for effectuating issue securities transactions.
2. Having decided to suspend the circulation of issue securities on the grounds specified in Section of this Article, the authorized agency shall give the issuer and the persons that participate (participated) in the transaction instructions in writing to eliminate the revealed violations. The above persons shall eliminate all revealed violations within the time set by the authorized agency and submit a written report on the performance of the instructions to the authorized agency or notify of the impossibility of eliminating the revealed violations.
3. The authorized agency shall send the decision to suspend the circulation of issue securities to the issuer, the registrar and the central depository.
4. The registrar and the central depository shall be obliged to suspend the registration of transactions with securities the circulation of which is suspended in the system of securities holder registers and the system of nominee holder records as soon as they receive the authorized agency's notice of the suspension of the circulation of issue securities.
5. The nominee holder shall be obliged to notify its client in writing of the suspension of the registration of the securities transactions on the client's account in the system of nominee holding records within twenty-four hours of the receipt of the central depository's notice.
6. After the violations are eliminated the registration of securities transactions in the system of securities holder registers and the system of nominee holder records shall be resumed on the basis of a written notice from the authorized agency to the issuer, the registrar and the central depository no later than three calendar days following the date of the decision to resume the registration of securities transactions.

ARTICLE 30. CANCELLATION OF AN ISSUE OF SHARES

1. The decision to cancel an issue of shares circulating on the secondary securities market shall be adopted by the authorized agency based on the decision of the general shareholders meeting of a joint-stock company to cancel an issue of shares due to its reorganization (except consolidations and spin-offs) or liquidation, or a court decision pursuant to Article 27 hereof.
2. In order to cancel an issue of shares, an issuer shall submit the following documents to the authorized agency:
 - 1) a copy of the court decision on the invalidation of the state registration of the issue of declared shares or forced

liquidation (re-organization) of the issuer, or a copy of the minutes of the general shareholders meeting (the decision of the shareholder holding all voting shares) of the joint-stock company regarding the cancellation of the issue of shares due to the re-organization or liquidation of the joint-stock company;

- 2) the certificate of state registration of the issue of declared shares, the offering circular, reports on the results of share placement and the authorized agency's notice of the approval of the reports on the results of share placement.
3. The terms and procedure for canceling an issue of declared shares shall be established by normative legal acts of the authorized agency.
4. It shall be prohibited to effectuate civil law transactions with shares the issue of which the authorized agency has decided to cancel.
5. An issuer shall be obliged to publish a notice in the state and Russian languages in the printed publications within seven days following the receipt of the authorized agency's notice of share issue cancellation.
6. The decision to cancel an issue of shares shall be sent by the authorized agency to the issuer, the registrar and the central depository which shall be obliged to suspend the registration of all transactions with the securities the issue of which is to be cancelled as soon as they receive a notice of cancellation.

The procedure for terminating the maintenance of the system of securities holder registers due to the cancellation of an issue of declared shares shall be established by a normative legal act of the authorized agency.

ARTICLE 31. PAYMENT OF INCOME ON SECURITIES. PAYMENT AGENT

1. During the circulation of issue securities on the secondary securities market an issuer shall comply with the procedure for the payment of income on securities established by Republic of Kazakhstan legislation and the offering circular.
2. Income on issue securities and the par value of bonds when redeemed shall be paid to persons entitled thereto as of the beginning of the last day of the period for which such payments are made (at the time of the location of the registrar maintaining the system of securities holder registers).
3. Payments of income on issue securities and the par value of bonds when redeemed shall be made by the issuer independently or with the use of a payment agent's services.
4. The terms and procedures for payments of income on state issue securities issued by the Government of the Republic of Kazakhstan, the National Bank of the Republic of Kazakhstan or local governments shall be established by legislation of the Republic of Kazakhstan.

5. The decision to select a payment agent for payments of income on non-state issue securities and the par value of non-state bonds when redeemed shall be adopted by the issuer's body in accordance with its charter.
6. When the decision to use a payment agent's services is adopted, the offering circular must contain the following information regarding the payment agent:
 - 1) the full name of the payment agent;
 - 2) the address and requisites of the payment agent and its subsidiaries which will pay income on securities (par value of bonds).
7. If the payment agent is replaced the issuer shall make changes in the offering circular and submit them for registration to the authorized agency within seven calendar days following the date of such changes.
8. If the issuer fails to pay income on securities and the par value of bonds when redeemed or pays in part, the issuer shall pay to the securities holders the principal amount and a penalty for each day of delay calculated on the basis of the official refinancing rate of the National Bank of the Republic of Kazakhstan on the day of payment of the monetary obligation or its part.
9. The terms and procedure for a payment agent's activities shall be established by a normative legal act of the authorized agency.

ARTICLE 32. REPORT ON THE RESULTS OF REDEMPTION OF NON-STATE BONDS

1. An issuer shall submit for the authorized agency's review and approval a report on the results of redemption of non-state bonds within one month following the end of the maturity period established by the offering circular.
2. An issuer shall submit the following documents for the authorized agency's review and approval of the report on the results of redemption of non-state bonds:
 - 1) an application for a review of the report on the results of redemption of non-state bonds;
 - 2) financial reports as of the end of the reporting period or the closing date of bond redemption;
 - 3) a report on the results of redemption of non-state bonds completed in accordance with the requirements established by a normative legal act of the authorized agency;
 - 4) a notice of the payment agent or the issuer (if there is no payment agency agreement) confirming the performance of bond redemption obligations by the issuer.
3. A report on the results of redemption of non-state bonds shall be reviewed by the authorized agency within fourteen calendar days.

CHAPTER VI. CIRCULATION OF OPTIONS, FUTURES, SWAPS, KAZAKHSTAN DEPOSITARY RECEIPTS AND OTHER DERIVATIVE SECURITIES

ARTICLE 33. THE TERMS FOR EFFECTUATING TRANSACTIONS INVOLVING OPTIONS, FUTURES, SWAPS, KAZAKHSTAN DEPOSITARY RECEIPTS AND OTHER DERIVATIVE SECURITIES

1. Transactions involving derivative securities shall be registered and the rights thereunder shall be confirmed by nominee holders in accordance with this Law and the regulations of the stock exchange if such transactions are effectuated on the organized securities market.
2. The terms and procedure for effectuating transactions involving options, futures, swaps and other derivative securities for the purpose of hedging an investment risk associated with issue securities shall be established by the regulations of the stock exchange.

ARTICLE 34. AN ISSUER'S OPTIONS

1. A joint-stock company, except a non-profit organization organized as a joint-stock company, may execute options with investors for the acquisition of shares issued by it and bonds convertibles into shares of such joint-stock company
2. An option must provide the type and number of securities which an investor may purchase, the purchasing price of securities, the term and procedure for acquiring securities and other option terms.
3. The terms and procedure for acquiring options for shares or bonds convertible into shares shall be established by the regulations of the joint-stock company
4. A joint-stock company shareholder shall have a preemptive right of purchasing options.

A shareholder may not transfer its preemptive right of purchasing options to any third parties.

The specifics of the state regulation of relations associated with options for shares or bonds convertible into shares shall be established by the joint-stock company legislation of the Republic of Kazakhstan.

ARTICLE 35. ISSUE OF KAZAKHSTAN DEPOSITARY RECEIPTS

The terms and procedure for issuing, placement, circulation and redemption of Kazakhstan depositary receipts, submission of a report on the results of a placement or redemption of Kazakhstan depositary receipts and the requirements to be met by issuers of Kazakhstan depositary receipts shall be established by normative legal acts of the authorized agency.

CHAPTER VII. REGISTRATION OF TRANSACTIONS INVOLVING ISSUE SECURITIES AND CONFIRMATION OF RIGHTS THEREUNDER

ARTICLE 36. REGISTRATION OF ISSUE SECURITIES TRANSACTIONS

1. Issue securities transactions shall be registered pursuant to this Law.
2. Issue securities transactions shall be registered by entering records in personal accounts in the system of securities holder registers or the system of nominee securities holding records.

The rights under issue securities shall arise upon registration of a transaction in the system of nominee securities holding records, if the parties thereto are clients of the same nominee holder.

If the parties to a transaction are clients of different nominee holders, the rights under issue securities shall arise upon registration of the transaction with the central depository in the personal accounts of the nominee holders.

3. If a securities transaction is effectuated on the non-organized securities market, the registrar (nominee holder) shall register such transaction on the basis of counter-orders of the parties thereto, except instances provided for by legislation of the Republic of Kazakhstan.
4. The specifics of the registration of rights under state issue securities shall be established by legislation of the Republic of Kazakhstan.
5. The registrar (nominee holder) may refuse to register an issue securities transaction, if the documents submitted for its registration do not meet the requirements of this Law, a normative legal act of the authorized agency and its regulations.
6. The procedure for registering issue securities transactions effectuated on the organized securities market shall be established by the regulations of the central depository and the trade organizer.
7. In the case of a unilateral issue securities transaction effectuated on the non-organized securities market, such transaction shall be registered on the basis of an order of the party thereto attaching documents confirming its right under the given issue securities.
8. The registrar (nominee holder) shall register changes in or termination of rights under issue securities pursuant to a court judgment on the basis of a writ of execution containing all the required requisites in accordance with legislation of the Republic of Kazakhstan.
9. The registrar (nominee holder) may not independently make entries in the personal accounts of issue securities holders where there are no grounds provided for by this Law and other legislation of the Republic of Kazakhstan.

10. Documents (except those identifying a registered person) on the basis of which the registrar (nominee holder) makes entries in the personal account shall be kept for five years.

ARTICLE 37. REGISTRATION OF A PLEDGE OF RIGHTS UNDER ISSUE SECURITIES

1. A pledge of rights under issue securities shall be registered by the registrar (nominee holder) on the basis of the pledgor's and the pledgee's orders containing all information required for the registration of such transaction with the indication of the rights under the pledged securities.
2. A pledge of rights under issue securities shall be registered by way of encumbrance of the securities the rights under which are pledged in the pledgor's account for the benefit of the pledgee and by opening a personal account (if not available) for the pledgee in which an entry of encumbrance of issue securities for its benefit is made. If a pledge of rights under issue securities is terminated due to the termination of the obligation secured by the pledge, the encumbrance shall be removed from these securities by the registrar (nominee holder) on the basis of counter-orders of the transaction participants.
3. If a pledgor fails to perform or improperly performs the obligation secured by a pledge of rights under issue securities, the transaction shall be registered on the basis of documents confirming the termination of the pledge by foreclosing the subject of the pledge in accordance with legislation of the Republic of Kazakhstan.
4. The specifics of the registration of rights under issue securities due to transactions with such securities effectuated on the organized securities market shall be established by the regulations of the central depository and the trade organizer.

ARTICLE 38. CONFIRMATION OF RIGHTS UNDER ISSUE SECIRITIES

1. Rights under securities shall be confirmed by a statement of the personal account of a securities holder in the system of securities holder registers or the record system of the central depository.

The procedures for execution and delivery of such statement shall be established by normative legal acts of the authorized agency and the regulations of the registrar (nominee holder).
2. The terms and procedure for delivery of statements of personal accounts shall be established by this Law and other laws of the Republic of Kazakhstan.

ARTICLE 39. AN ORDER TO REGISTER AN ISSUE SECURITIES TRANSACTION

1. An order to register an issue securities transaction (the "order") must be made in writing, signed by the securities holder or its representative and delivered to the registrar or a nominee holder for execution.

2. An order may be made and delivered in the electronic form using information systems in accordance with legislation of the Republic of Kazakhstan regarding electronic documents and electronic digital signatures.
3. The contents of an order, the terms and procedure for its registration by the registrar (nominee holder) shall be established by a normative legal act of the authorized agency and the regulations of the registrar (nominee holder).
4. In order to take an order for execution, the registrar (nominee holder) shall be obliged to verify the authority of the person who issued such order and the compliance of the form of the order with the established requirements.

When executing an order the registrar (nominee holder) must do the following:

- 1) register the received order;
 - 2) verify the possibility of performing the actions specified in the order;
 - 3) perform the actions specified therein and issue an execution report if there are no grounds for a refusal to execute the order;
 - 4) issue a document specifying grounds for a refusal if there are grounds for a refusal to execute the order.
5. The registrar (nominee holder) shall execute the order upon receipt of a counter-order within three calendar days, unless other period is specified by legislation of the Republic of Kazakhstan or the terms of the agreement concluded with the nominee holder.

ARTICLE 40. SUSPENSION OF OPERATIONS ON THE PERSONAL ACCOUNTS OF SECURITIES HOLDERS. CONFISCATION OF ISSUE SECURITIES

1. The suspension of making entries in personal accounts or registration of issue securities transactions in the system of securities holder registers or the system of securities nominee holding records shall be made on the basis of the decision of the state agency authorized to make such decisions in accordance with the laws of the Republic of Kazakhstan.
2. Issue securities may be confiscated only on the basis of a court judgment that has come into force.

CHAPTER VIII. COMMERCIAL AND PROFESSIONAL SECRETS ON THE SECURITIES MARKET

ARTICLE 41. COMMERCIAL SECRET ON THE SECURITIES MARKET

A commercial secret on the securities market shall include:

- 1) information regarding the balances and movement of issue securities in the personal accounts in the system of securities holder registers and the system of nominee holding records;
- 2) information regarding registered persons.

ARTICLE 42. PROFESSIONAL SECRET ON THE SECURITIES MARKET

1. A professional secret on the securities market shall include information regarding the activities of securities market participants which are not publicly available to an unlimited number of persons on an equality basis.
2. A person that possesses information constituting a professional secret on the securities market shall be a person that has access to such information by virtue of his/her position or kinship relations, functional duties or an agreement (including a verbal agreement) concluded with a securities market participant or its affiliate. Such persons shall include:
 - 1) an executive officer of such securities market participant;
 - 2) any employee of such securities market participant;
 - 3) an auditor, an appraiser and other persons rendering services to the securities market participant;
 - 4) an employee of the trade organizer to whom the securities market participant furnishes information regarding its activities as a member of such trade organizer or as an issuer whose securities are listed with the trade organizer;
 - 5) an employee of the organization which takes part in the preparation of an issue of issue securities and their placement;
 - 6) an employee of the licensee effectuating a transaction involving securities and other financial instruments at the client's instructions;
 - 7) an employee of the state agency and the self-regulating organization which has access to such information due to the authority granted to him.

ARTICLE 43. DISCLOSURE OF COMMERCIAL AND PROFESSIONAL SECRETS ON THE SECURITIES MARKET

1. Information constituting a commercial and professional secret on the securities market shall no be disclosed except instances stipulated in Sections 2 and 3 of this Article.

2. Information constituting a commercial and professional secret on the securities market may be furnished to as issuer and a securities holder in respect of its rights under issue securities or its representative on the basis of a power of attorney issued in accordance with legislation of the Republic of Kazakhstan.
3. Information constituting a commercial and professional secret on the securities market must be furnished to:
 - 1) agencies in charge of pretrial investigation: in respect of criminal cases under their investigation;
 - 2) courts: in respect of cases at hand on the basis of its ruling;
 - 3) procurator agencies: on the basis of a ruling to conduct an examination within their authority with respect to materials under their consideration;
 - 4) executory process agencies: in respect of cases of executory process on the basis of an enforcing officer's order authorized by a procurator;
 - 5) tax authorities: in respect of taxation of persons under examination;
 - 6) the authorized agency: at its request in the course of examination of an issuer's or licensee's activities;
 - 7) notaries: in respect of inheritance cases at hand;
 - 8) foreign consular offices: in respect of inheritance cases at hand.
4. The procedures for furnishing information constituting a commercial and professional secret on the securities market to the agencies indicated in Section 3 of this Article shall be established by this Law and other legislative acts of the Republic of Kazakhstan.

ARTICLE 44. REQUIREMENTS FOR PROFESSIONAL SECURITIES MARKET PARTICIPANTS

1. When rendering services to clients, a professional securities market participant shall ensure that the terms and conditions which make it possible to prevent the use of information constituting a commercial and professional secret on the securities market are complied with.
2. A professional securities market participant may not use information constituting a commercial and professional secret on the securities market or take actions which may result in a breach of natural pricing and destabilization of the securities market.
3. The regulations of a professional securities market participant must contain terms which ensure the confidentiality of information constituting a commercial and professional secret on the securities market and do not allow its use by a professional securities market participant, its employees or third parties in their own interests.

CHAPTER IX. PROCEDURE FOR CARRYING OUT ACTIVITIES ON THE SECURITIES MARKET

ARTICLE 45. INFRASTRUCTURE OF THE SECURITIES MARKET

1. The following types of activities to be licensed by the authorized agency shall be carried out on the securities market:
 - 1) broker and dealer activities;
 - 2) maintenance of a system of securities holder registers;
 - 3) investment portfolio management;
 - 4) investment management of pension assets;
 - 5) custodian activities;
 - 6) transfer agent activities;
 - 8) organization of trades in securities and other financial instruments.
2. The activities indicated in paragraphs 1) –7) of this Article shall be professional activities on the securities market.
3. Organizations carrying out one and the same or combined types of professional activities on the securities market shall create only one self-regulating organization for the purpose of coordinating their activities.
4. The procedures for carrying out licensed activities on the securities market shall be established by this Law, normative legal acts of the authorized agency, regulations of self-regulating organizations and licensees.

The terms and procedures for combining professional activities on the securities market shall be established by a normative legal act of the authorized agency.
5. Money and securities of clients shall be taken into account by licensees separate from their own assets and shall not be included in the liquidation estate in case of their bankruptcy or voluntary liquidation.
6. The terms and procedures for payments by a client of a licensee's fees for services rendered on the securities market shall be established by the regulations of the licensee and/or the agreement between the licensee and the client.
7. The specifics of auditing and financial reporting of licensees shall be established by a normative legal act of the authorized agency.

ARTICLE 46. FORMATION OF AN APPLICANT'S (LICENSEE'S) CHARTER CAPITAL

1. The charter capital of an applicant (licensee) shall be formed in cash in the national currency of the Republic of Kazakhstan.

The minimum size of the charter capital of an applicant (licensee) shall be established by normative legal acts of the authorized agency.

A legal entity may pay for the shares of an applicant (licensee) within the limits of its own capital less the amount of assets contributed as payment for shares and/or a participating interest in the charter capital of other legal entities.

2. A licensee may effectuate a transaction to buy out its shares from shareholders which hold ten or more (in a public joint-stock company – five or more) percent of the shares, provided that such transaction will not result in breach of the prudential standards and other indices or criteria (standards) of financial stability established by normative legal acts of the authorized agency.

ARTICLE 47. AN APPLICANT'S (LICENSEE'S) FOUNDERS AND SHAREHOLDERS

1. Individuals and legal entities, both residents and non-residents of the Republic of Kazakhstan, may be founders and shareholders of an applicant (licensee) subject to the limitations specified in Section 2 of this Article and other legislation of the Republic of Kazakhstan.
2. The following persons may not be founders and shareholders of an applicant (licensee):
 - 1) off-shore registered legal entities the list of which shall be established by the authorized agency;
 - 2) affiliates of the legal entities indicated in paragraph 1) of this Section;
 - 3) persons that are founders (participants, shareholders) of the legal entities indicated in paragraph 1) of this Section.

A legal entity which is a non-resident of the Republic of Kazakhstan may purchase shares of an applicant (licensee) which intends to carry out (is carrying out) activities associated with the investment management of pension assets, provided that such legal entity has a minimum required rating of one of the rating agencies in accordance with a normative legal act of the authorized agency.

ARTICLE 48. QUALIFICATION REQUIREMENTS TO AN APPLICANT

1. In order to obtain a license, an applicant must meet the following qualification requirements:
 - 1) the availability of employees having qualification certificates according to the list established by a normative legal act of the authorized agency;
 - 2) the availability of software and hardware required for carrying out activities on the securities market according to a normative legal act of the authorized agency;
 - 3) the regulations of an applicant which establish the terms and procedures for carrying out activities on the securities market

- must meet the requirements of a normative legal act of the authorized agency which establishes the procedures for carrying out a certain type of activities on the securities market and the regulations of the relevant self-regulating organization;
- 4) compliance with the prudential standards and other indices or criteria (standards) of financial stability established by normative legal acts of the authorized agency for specific types of activities;
 - 5) the availability of structural divisions which meet the requirements established by this Law and normative legal acts of the authorized agency;
 - 6) a self-regulating organization's opinion regarding the compliance of the applicant and its documents submitted for licensing with this Law and the regulations of such self-regulating organization.
2. The regulations of a licensee shall be agreed with the authorized agency in accordance with the procedure established by it.
 3. The procedure for training individuals for work on the securities market, their certification and issuing qualification certificates, as well as for suspending or revoking qualification certificates in the event that holders of qualification certificates violate the requirements of Kazakhstan legislation shall be established by a normative legal act of the authorized agency.

ARTICLE 49. PRUDENTIAL STANDARDS AND OTHER INDICES OR CRITERIA (STANDARDS) OF FINANCIAL STABILITY TO BE OBLIGATORILY MET BY AN APPLICANT (LICENSEE)

1. An applicant (licensee) shall be obliged to meet the prudential standards and other indices or criteria (standards) of financial stability established by normative legal acts of the authorized agency for a specific type of activity on the securities market.
2. A licensee shall be obliged to submit to the authorized agency the calculations of indices characterizing the compliance with prudential standards and other indices or criteria (standards) of financial stability in accordance with the procedure and within the time established by the authorized agency.
3. Types of prudential standards and indices characterizing the compliance and procedure for calculating the values of prudential standards and other indices or criteria (standards) of financial stability to be met by an applicant (licensee) shall be established by normative legal acts of the authorized agency for each type of activity on the securities market.

ARTICLE 50. LICENSING OF ACTIVITIES ON THE SECURITIES MARKET

1. The terms and procedures for issuing licenses for conducting activities on the securities market shall be established by this Law and other normative legal acts of the authorized agency.
2. Documents submitted for obtaining a license shall be reviewed by the authorized agency. If an applicant and its documents meet the requirements of this Law and other legislation of the Republic of Kazakhstan, the authorized agency shall issue a license within a month.

The authorized agency may refuse to issue a license for reasons specified by legislative acts of the Republic of Kazakhstan.

3. The authorized agency may suspend the review of the documents submitted for obtaining a license, if such review reveals that such documents contain untrue information regarding the applicant, its founders or their activities. After the applicant eliminates the drawbacks and resubmits the documents, the review time shall be renewed. The time of a subsequent review of the documents by the authorized agency must not exceed thirty calendar days.

ARTICLE 51. SUSPENSION OF A LICENSE. REVOCATION AND TERMINATION OF A LICENSE

1. The authorized agency may suspend a license for up to six months in the following instances:
 - 1) it is found that the documents submitted for obtaining a license or reviewing a report on the licensee's activities contain untrue information;
 - 2) information regarding changes in the documents submitted for obtaining a license is not submitted;
 - 3) the qualification requirements established by this Law are not met;
 - 4) the licensee retires or is expelled from the self-regulating organization;
 - 5) a breach of legislation of the Republic of Kazakhstan regulating activities on the securities market and the regulations of the self-regulating organization and the licensee;
 - 6) a failure to carry out the authorized agency's order;
 - 7) a written request is made for voluntary suspension of the license;
 - 8) if the licensee's activities do not meet the qualification requirements as a result of the suspension or revocation of the qualification certificates of its employees;
 - 9) a failure for comply with the requirements of legislation of the Republic of Kazakhstan regarding the submission of

information about activities on the securities market to state agencies.

2. The licensed activities carried out on the securities market after receipt of the authorized agency's written notice of the suspension of the license shall be illegal and entail liability established by the laws of the Republic of Kazakhstan.
3. If the causes for suspension of a license are eliminated the authorized agency shall decide to resume the license and give a written notice thereof to the licensee.
4. The authorized agency shall be obliged to revoke a license in the event of failure to eliminate the causes for suspension of the license and for other reasons established by the laws of the Republic of Kazakhstan.

The authorized agency shall be obliged to revoke a license pursuant to an effective court judgment that prohibits the licensee from carrying out its activities on the securities market.

5. A license shall be terminated for reasons specified by legislative acts of the Republic of Kazakhstan.
6. The procedures for the performance by a licensee of obligations to its clients after receipt of the authorized agency's notice of suspension or revocation of the license shall be established by normative legal acts of the authorized agency.

ARTICLE 52. REPORTS ON ACTIVITIES ON THE SECURITIES MARKET

1. Licensees shall be obliged to submit reports of their activities on the securities market to the authorized agency.
2. The periodicity with which licensees shall submit reports of their activities on the securities market, their forms and submission procedure shall be established by normative legal acts of the authorized agency.

ARTICLE 53. RESTRICTIONS ON ACTIVITIES ON THE SECURITIES MARKET

1. A licensee may not carry out business activities which are not referred to the activities on the securities market, except for instances stipulated by legislative acts of the Republic of Kazakhstan.
2. Banks and organizations carrying out certain types of banking operations, insurance (reinsurance) organizations shall carry out the activities on the securities market subject to the requirements of legislative acts of the Republic of Kazakhstan regulating the activities of such organizations.

ARTICLE 54. REQUIREMENTS FOR THE EXECUTIVE OFFICERS OF AN APPLICANT (LICENSEE)

1. The position of an executive officer may not be held by a person who:
 - 1) does not meet the qualifications requirements set forth in Section 2 of this Article;
 - 2) has a uncanceled criminal record;
 - 3) has been brought to administrative responsibility for an offence related to the activities on the securities market within one year prior to the submission of documents for candidacy for an executive position;
 - 4) previously held an executive position in an organization which was recognized as bankrupt or temporarily closed down, or subjected to sanatsiya or forced liquidation during his term of office in such organization. This condition shall apply to persons who were executive officers in such organization for not more than one year prior to the one of the above events, and shall operate for three years following its occurrence;
 - 5) has not passed the approval procedure with the authorized agency.
2. The qualification requirements for an executive officer of an applicant (licensee) shall be the following:
 - 1) the availability of higher education background;
 - 2) the availability of the relevant category of a qualification certificate issued by the authorized agency to a candidate for the position of the chief executive officer and/or its deputy and the head of a branch office (for organizations which are not banks or organizations carrying out certain banking operations), and a candidate for the position of an executive officer who is responsible for coordination and/or control over the activities of structural divisions operating on the securities market and has the right to sign documents underlying transactions effectuated on the securities market (for banks and organizations carrying out certain banking operations);
 - 3) a candidate for the position of the chief executive officer or chief accountant must have a length of service of at least three years, for the positions of other executive officers – at least two years in an organization the principal activity of which is rendering financial services.
3. A candidate approved by the authorized agency may be elected (appointed) as an executive officer of an applicant (licensee).

The authorized agency shall establish the procedure for approval of candidacies for an executive office and organize the work of the qualification commission which adopts decisions as to whether a

candidate meets the qualification requirements set forth in Section 2 of this Article.

A person elected (appointed) as an executive officer must be approved by the authorized agency within two months following the date of his/her election (appointment). Within such period of time the qualification commission shall evaluate whether such candidate meets the qualification requirements set forth in Sections 1 and 2 of this Article.

4. The authorized agency may withdraw its approval granted to a person seeking an executive office in the following instances:
 - 1) when violations of Kazakhstan legislation establishing the procedure for conducting activities on the securities market have been found in the course of a licensee's activities;
 - 2) when untrue information on the basis of which such approval is granted has been found;
 - 3) when such person has been brought to administrative responsibility for an offence related to the activities on the securities market or to criminal responsibility for committing a crime;
 - 4) non-compliance with the requirements set forth in Sections 1 and 2 of this Article.
5. As a result of the withdrawal of the authorized agency's approval granted to a person seeking an executive office of a licensee such person shall be prohibited from holding such office.

ARTICLE 55. ORGANIZATIONAL STRUCTURE REQUIREMENTS

1. The organizational structure of a licensee having two and more licenses for conducting professional activities on the securities market must consist of separate divisions for each type of activity.
2. A licensee may not delegate the functions and duties of employees of one division to employees of another division.
3. The specifics of the application of the requirements set forth in Sections 1 and 2 of this Article shall be established by a normative legal act of the authorized agency.

ARTICLE 56. PROHIBITION OF UNFAIR CONDUCT. MANIPULATION OF SECURITIES PRICES

1. A licensee shall be prohibited from:
 - 1) influencing other licensees and investors in any way so that they change their conduct on the securities market;
 - 2) disseminating untrue information in order to influence the situation existing on the securities market;
 - 3) manipulating prices on the securities market.

2. The main types of securities transaction effectuated for the purposes of price manipulation shall be the following:
 - 1) a sham or fictitious transaction;
 - 2) reciprocal transactions made by prior collusion between two or more parties matching in prices and time of execution which will not result in changes in the number of securities and money in such parties' possession in comparison with their number such parties had prior to such transactions;
 - 3) a transaction made at a price previously agreed between the parties which significantly differs from the prices of such securities prevailing on the securities market prior to such transaction;
 - 4) any other transaction effectuated for the purposes of price manipulation.
3. The procedure for recognizing securities transaction as transactions made for the purpose of price manipulation shall be established by a normative legal act of the authorized agency and the regulations of the trade organizer (if such transaction was made in its trade system).

CHAPTER X. NOMINEE HOLDING OF SECURITIES

ARTICLE 57. PROCEDURES FOR NOMINEE HOLDING OF SECURITIES

1. Nominee holding services may be provided by the central depository, a custodian and a broker and dealer having the right to maintain clients' accounts as a nominee securities holder.
2. Nominee holding of securities shall be effectuated by a licensee under an agreement concluded with a client which sets forth the licensee's rights in respect of the securities transferred into nominee holding.
3. A custodian and a broker and dealer having the right to maintain clients' accounts as a nominee securities holder shall be obliged to open a personal account of a client in the system of nominee holding records and a subaccount of such client in the central depository's account system within three calendar days following the execution of a nominee holding agreement with the client.

In the system of securities holder registers records of non-state securities transferred into nominee holding shall be maintained on the central depository account opened by the registrar upon an order of the central depository.

The procedure for opening a personal account in the system of nominee holding records shall be established by the regulations of the nominee holder.

4. The procedure for nominee holding of securities shall be established by the regulations of licensees in accordance with this Law and the terms of the nominee holding agreement.

ARTICLE 58. OBLIGATIONS OF A NOMINEE HOLDER

1. A nominee holder shall:
 - 1) exercise permanent control in order to prevent errors and misrepresentations in the information contained in a client's personal account;
 - 2) keep information contained in the system of nominee holding records and allowing the sequence of entries made in a client's account to be established or restored;
 - 3) enter changes in a client's personal account in accordance with the procedure and time established by this Law;
 - 4) provide clients with true information in accordance with executed nominee holding agreements.

ARTICLE 59. FUNCTIONS OF A NOMINEE HOLDER. RESTRICTIONS ON THE FUNCTIONS OF A NOMINEE HOLDER

1. A nominee holder shall perform the following functions:
 - 1) keeping record of clients' securities and ensuring their availability when effectuating transactions;
 - 2) registration of clients' securities transactions;
 - 3) confirmation of clients' rights under securities;
 - 4) representation of clients when transactions involving securities transferred into nominee holding are made;
 - 5) providing client with information regarding securities transferred into nominee holding;
 - 6) other functions pursuant to a nominee holding agreement which are not in conflict with legislation of the Republic of Kazakhstan.
2. A nominee holder shall be prohibited from:
 - 1) registering securities transactions which are not in compliance with legislation of the Republic of Kazakhstan;
 - 2) registering a securities transaction without a clients' order, except instances stipulated by this Law and a normative legal act of the authorized agency;
 - 3) using a client's money and securities in its own interests or the interests of third parties without the written consent of the client, except instances stipulated by legislation of the Republic of Kazakhstan.

3. A nominee holder may not provide nominee holding services to another nominee holder in respect of securities transferred into its nominee holding in the territory of the Republic of Kazakhstan, except:
 - 1) the central depository;
 - 2) custodians when they provide nominee holding services in respect of foreign securities or to foreign organizations performing the functions specified in Section 1 of this Article.

ARTICLE 60. A NOMINEE HOLDING AGREEMENT

1. Legal relations between a nominee holder and its client shall be regulated by a nominee holding agreement between them. The rules of an agency agreement shall apply to a nominee holding agreement in accordance with civil legislation of the Republic of Kazakhstan.
2. Prior to the execution of a nominee holding agreement, a nominee holder shall be obliged to inform the client of its nominee holding activities.
3. A nominee holding agreement must contain:
 - 1) the subject of the agreement;
 - 2) the rights and obligations of the parties, including the nominee holder's obligation to keep information regarding the client's personal account confidential;
 - 3) the terms and procedure for furnishing information regarding the client to the depository by the nominee holder;
 - 4) the procedure for confirming the client's rights under the securities transferred into nominee holding;
 - 5) the fees of the nominal holder and their payment procedure;
 - 6) the form and periodicity of the nominal holder's reporting to the client;
 - 7) the responsibilities of the parties for breach of the terms of the agreement;
 - 8) the terms and procedure for receiving income on securities.

Apart from the above provisions, such agreement may contain other terms which are not in conflict with legislation of the Republic of Kazakhstan.

ARTICLE 61. REGISTRATION OF TRANSACTIONS INVOLVING SECURITIES TRANSFERRED INTO NOMINEE HOLDING

1. Transactions involving securities in nominee holding shall be registered by the nominee holder on the client's account in the system of nominee holding records and the client's subaccount in the record system of the central depository.

2. The depositor's client may receive a statement of its subaccount in the record system of the central depository if the latter has data required for identifying such client.

If the data regarding the number, type and category of the securities indicated in the statement of a personal account in the system of nominee holding records do not match the data of the subaccount in the record system of the central depository, the data in the record system of the central depository shall have priority.

The procedure for providing a statement of a subaccount in the record system of the central depository shall be established by the regulations of the nominee holder.

ARTICLE 62. DISCLOSURE OF INFORMATION BY A NOMINEE HOLDER

1. Upon request, a nominee holder shall be obliged to provide the registrar and the central depository with information regarding clients, the securities of which are in its nominee holding, except information about clients which have not granted the nominee holder the rights to disclose information about them in accordance with the nominee holding agreement executed between them.

The procedure for disclosing information specified in part one of this Section shall be established by a normative legal act of the authorized agency.

2. The restrictions on the disclosure of client information by a nominee holder specified in Section of this Article shall not apply to the state agencies specified in Section 43.3 hereof.

CHAPTER XI. BROKER AND DEALER ACTIVITIES ON THE SECURITIES MARKET

ARTICLE 63. PROCEDURES FOR CONDUCTING BROKER AND DEALER ACTIVITIES

1. A broker and dealer license may be issued with or without the right to maintain client accounts as a nominee holder.
2. A broker and dealer shall be obliged to comply with the requirement established by this Law, other legislative acts of the Republic of Kazakhstan, normative legal acts of the authorized agency, regulations of the self-regulating organization for the procedure for effectuating transactions involving issue securities and other financial instruments.
3. Relations between a broker and dealer and its clients shall arise on the basis of a broker service agreement to which the rules of an agency or commission agreement established by the Civil Code of the Republic of Kazakhstan shall apply.

4. The organizational structure of a broker and dealer having the right to maintain client accounts as a nominee holder must include the following structural divisions:
 - 1) a trade division responsible for the conclusion of transactions with financial instruments;
 - 2) a settlements division responsible for the fulfillment of transactions with financial instruments, accounting of financial instruments and money of such broker and dealer and its clients.
5. Executive officers of the trade division of a broker and dealer having the right to maintain client accounts as a nominee holder may not perform the functions of executive officers of the settlements division of such broker and dealer.
6. A broker and dealer shall be prohibited from engaging specialists who do not have valid qualification certificates.

ARTICLE 64. EFFECTUATION OF TRANSACTIONS BY A BROKER AND DEALER

1. A broker and dealer shall effectuate transaction involving financial instruments pursuant to a client's order. Types of client orders, their content and completion shall be established by a normative legal acts of the authorized agency and the regulations of the broker and dealer.
2. A broker and dealer shall carry out a client's order in conformity with the terms of the transaction specified in such order. If when effectuating a transaction it becomes necessary to change the terms of the transaction, the broker and dealer shall be obliged to agree its actions with the client.

In the event of a conflict of interests the broker and dealer shall be obliged to effectuate the transaction based on the priority of the client's interests over its own interests.
3. A broker and dealer may provide a client with services associated with the issue and placement of issue securities as an underwriter or within an issue consortium.
4. The terms and procedures for conducting joint operations associated with the issue and placement of issue securities by participants of an issue consortium shall be determined by a joint operations agreement executed by underwriters which are participants of an issue consortium. Such agreement must contain the following information:
 - 1) the functions of the participants of the issue consortium;
 - 2) the distribution of the rights, obligations and responsibilities among the participants of the issue consortium;
 - 3) the validity term of the joint operations agreement.
5. Relations between an issuer and an underwriter (issue consortium) shall be regulated by an agreement made in writing.

6. An underwriter (issue consortium) may place an issue of issue securities using the following methods:
 - 1) the “firm commitments” method whereby an underwriter (issue consortium) buys out the whole issue of issue securities from an issuer for the purpose of their resale to other investors;
 - 2) the “best effort” method whereby an underwriter (issue consortium) makes its best efforts to place an issue of issue securities by offering them to investors;
 - 3) other methods of placing an issue securities in accordance with the terms of the agreement between an issuer and an underwriter (issue consortium).

CHAPTER XII. ACTIVITIES ASSOCIATED WITH THE MAINTENANCE OF THE SYSTEM OF SECURITIES HOLDER REGISTERS

ARTICLE 65. PROCEDURE FOR CONDUCTING ACTIVITIES ASSOCIATED WITH THE MAINTENANCE OF THE SYSTEM OF SECURITIES HOLDER REGISTERS

1. The system of securities holder registers shall be maintained by the registrar in accordance with this Law, normative legal acts of the authorized agency, regulations of the registrar and the agreement with the issuer.

The maintenance of the system of securities holder registers shall be mandatory in respect of issue securities.
2. The registrar shall not be an affiliate of the issuer, its executive officers and shareholders (participants) which individually or collectively with affiliates hold ten or more percent of the voting shares (stakes) in such issuer (in a public joint-stock company – five or more percent of the voting shares).
3. Securities holder data shall be entered into the system of securities holder registers in accordance with the procedure established by normative legal acts of the authorized agency, regulations of the registrar.
4. The list of documents constituting the system of securities holder registers, the procedures for its formation, storage and maintenance, the forms of statements of personal accounts and the list of data to be indicated therein shall be established by a normative legal act of the authorized agency.

ARTICLE 66. FUNCTIONS OF THE REGISTRAR

The following shall be the functions of the registrar:

- 1) the formation, maintenance and storage of the system of securities holder registers;

- 2) the opening of a personal account in the system of securities holder registers for a registered person;
- 3) the registration of securities transactions on the personal account of a registered person;
- 4) the confirmation of the registered person's rights under securities;
- 5) the updating of the system of securities holder registers;
- 6) control over the correspondence between the number of securities in secondary market circulation and the number of securities registered by the authorized agency;
- 7) the provision of securities holders with information regarding the issuer activities, its securities in the instances provided by legislation of the Republic of Kazakhstan or upon the issuer's instruction;
- 8) the provision of the issuer with information constituting the system of securities holder registers at its request;
- 9) the provision of information to state agencies which have the statutory right to information constituting the system of securities holder registers in accordance with Section 43.3 hereof;
- 10) other functions in accordance with legislative acts of the Republic of Kazakhstan.

ARTICLE 67. AN AGREEMENT FOR THE MAINTENANCE OF THE SYSTEM OF SECURITIES HOLDER REGISTERS

1. The decision to conclude an agreement for the maintenance of the system of securities holder registers with the registrar shall be adopted by the issuer's body within its authority established by the issuer's charter. Such decision must indicate persons authorized by the issuer to participate in the conclusion of the agreement, sign it and represent the issuer during the validity period of the agreement.
2. The registrar may not maintain the system of registers of its securities holders or delegate the maintenance of the system of securities holder registers to another registrar.
3. When entering into an agreement for the maintenance of the system of securities holder registers, an issuer shall provide the registrar with the following documents:
 - 1) the decision of the issuer's body to select a registrar and conclude an agreement for the maintenance of the system of securities holder registers;
 - 2) a copy of the charter;
 - 3) copies of the documents certifying the state registration of an issuer as a legal entity;
 - 4) copies of the documents certifying the state registration of an issue of issue securities;

- 5) a card with sample signatures of the issuer's representatives having the right to receive information constituting the system of securities holder registers, and sign documents in the course of the agreement implementation, with an imprint of the issuer's seal. Such card shall be certified by a notary.
4. When entering into an agreement for the maintenance of the system of securities holder registers the registrar shall provide its regulations for the issuer's review.

ARTICLE 68. REQUIREMENTS FOR THE REGISTRAR UPON TERMINATION OF THE AGREEMENT FOR THE MAINTENANCE OF THE SYSTEM OF SECURITIES HOLDER REGISTERS

1. In the event that an agreement for the maintenance of the system of securities holder registers is terminated, the former registrar shall prepare and deliver and the new registrar shall accept the securities holder register formed as of the date of termination of the agreement and other documents constituting the system of securities holder registers of such issuer within seven calendar days following the date of termination of the agreement with the issuer.

The above documents shall be transferred on the basis of a deed of transfer executed with the participation of the registrars' representatives. The new registrar shall enter the data contained in the documents received from the former registrar into the system of securities holder registers of the issuer with which it entered into an agreement within seven calendar days following the signing of the deed of transfer.
2. The list of the documents and electronic data constituting the system of securities holder registers to be transferred to the new registrar, the terms and procedures for their transfer shall be established by a normative legal act of the authorized agency.
3. Statements of personal accounts in the system of securities holder registers issued by the registrar after the termination of the agreement shall be invalid. The registrar may not take orders from securities holders for execution after the date of termination of the agreement. The responsibility for the data contained in a statement of account and other documents made by the new registrar as of the date of the maintenance of the system of securities holder registers by the former registrar based on the documents transferred by it pursuant to the deed of transfer shall be borne by the former registrar.
4. If an agreement for the maintenance of the system of securities holder registers is terminated unilaterally, the formation and transfer of documents and the securities holder register to the new registrar shall be for the account of the party that initiated the termination of the agreement.

CHAPTER XIII. ACTIVITIES ASSOCIATED WITH INVESTMENT PORTFOLIO MANAGEMENT. ACTIVITIES ASSOCIATED WITH PENSION ASSETS MANAGEMENT

ARTICLE 69. CONDUCT OF ACTIVITIES ASSOCIATED WITH INVESTMENT PORTFOLIO MANAGEMENT OR ACTIVITIES ASSOCIATED WITH PENSION ASSETS MANAGEMENT

1. The terms and procedures for conducting activities associated with the management of an investment fund's investment portfolio or investment management of pension assets shall be established by legislative acts of the Republic of Kazakhstan and normative legal acts of the authorized agency.
2. The terms and procedures for conducting activities associated with the management of investment portfolios of individual investors shall be established by a normative legal act of the authorized agency.
3. Activities associated with investment portfolio management or investment management of pension assets shall be conducted for the purpose of generating income for the benefit of the client.
4. Records of the rights of investment portfolio managers or pension assets managers in respect to financial instruments in their management shall be kept by nominee holders in accordance with their regulations.

ARTICLE 70. FUNCTIONS OF INVESTMENT PORTFOLIO OR PENSION ASSETS MANAGERS

1. The following shall be the functions of investment portfolio or pension assets managers:
 - 1) adoption of decisions regarding investments of money into issue securities and other financial instruments in accordance with the requirements of a normative legal act of the authorized agency;
 - 2) interaction with securities market participants in the course of the investment portfolio management and investment management of pension assets for the purpose of implementing the adopted investment decisions;
 - 3) keeping records of transactions effectuated with securities and other financial instruments in accordance with the procedure established by a normative legal act of the authorized agency and their regulations;
 - 4) execution of the terms of the agreement for the investment portfolio management and investment management of pension assets.
2. Investment portfolio or pension assets managers may exercise the rights of use and disposal in respect of issue securities and other

financial instruments under their management, unless otherwise provided by legislation of the Republic of Kazakhstan.

ARTICLE 71. RESTRICTIONS ON THE CONDUCT OF ACTIVITIES ASSOCIATED WITH INVESTMENT PORTFOLIO MANAGEMENT OR ACTIVITIES ASSOCIATED WITH PENSION ASSETS MANAGEMENT

1. Investment portfolio or pension assets managers shall be prohibited from:
 - 1) conducting activities in the area of material production;
 - 2) issuing sureties and guarantees, effectuate pledge transaction in respect of the property under their management;
 - 3) grant loans;
 - 4) issue securities other than shares, except in instances established by legislative acts of the Republic of Kazakhstan;
 - 5) sell financial instruments included in the assets under their management with the obligation of their repurchase;
 - 6) acquire any financial instruments through loans.
2. Activities associated with investment management of pension assets shall not be combined with activities of a broker and dealer activities having the right to maintain client accounts as a nominee holder.

ARTICLE 72. ADOPTION OF INVESTMENT DECISIONS

1. Investment decisions in respect of client investment portfolios shall be adopted by an investment committee of investment portfolio or pension assets managers which shall consist of not less than three employees having the relevant category of qualification certificates. Such employees shall be elected to the investment committee by the executive managers body. Decisions of the investment committee shall be adopted by a majority of votes of the employees participating in the meeting and shall be made in writing.

CHAPTER XIV. CUSTODIAN ACTIVITIES

ARTICLE 73. PROCEDURE FOR CONDUCTING CUSTODIAN ACTIVITIES

1. Custodian activities on the securities market may be conducted by banks licensed for conducting custodian activities and safe operations.
2. A custodian shall conduct its activities in accordance with legislation of the Republic of Kazakhstan and a custodian service agreement concluded with a client.
3. A custodian must not be an affiliate of its client providing financial services in the territory of the Republic of Kazakhstan.

4. The subjects of custodian activities shall be money and financial instruments transferred by a client to a custodian pursuant to a custodian service agreement.
5. A custodian which is licensed for conducting broker and dealer activities on the securities market and provides services to an cumulative pension fund, an investment fund, an investment portfolio manager may not provide them with broker services on the securities market.

ARTICLE 74. FUNCTIONS AND DUTIES OF A CUSTODIAN

1. A custodian shall perform the following functions:
 - 1) opening accounts for a client in respect of money, issue securities and other financial instruments transferred for custodian service;
 - 2) keeping records of money, issue securities and other financial instruments transferred for custodian service;
 - 3) performance of nominee holding;
 - 4) performance of the functions of a payment agent in respect of money, issue securities and other financial instruments transferred for custodian service;
 - 5) registration of transactions with a client's securities and confirmation of its rights under such securities;
 - 6) generation of income on issue securities and other financial instruments transferred for custodian service and crediting such income to the client's account;
 - 7) providing a client with information upon an issuer's instructions;
 - 8) providing a client with other services stipulated by a custodian service agreement;
 - 9) keeping documentary securities and other financial instruments issued in the documentary form.
2. A custodian shall:
 - 1) fulfill the terms of the custodian service agreement and the client's orders;
 - 2) ensure that issue securities and other financial instruments transferred for custodian service are kept and accounted separate from its own assets;
 - 3) conform to the technology of maintaining client accounts in accordance with the requirements established by legislation of the Republic of Kazakhstan;
 - 4) provide a client with statements of its accounts on a regular basis or at its request;

- 5) not disclose information constituting a professional, commercial or other secret protected by law, except instances provided for by this Law and other legislative acts of the Republic of Kazakhstan.

ARTICLE 75. A CUSTODIAN SERVICE AGREEMENT

1. Relations between a custodian and a client shall arise on the basis of a custodian service agreement to which the provisions of a custody and agency agreement established by the Civil Code of the Republic of Kazakhstan shall apply.
2. When entering into a custodian service agreement with a client a custodian shall be obliged to provide its regulations for the client's review.
3. A custodian service agreement must contain the following:
 - 1) the procedure for rendering custodian services to the client;
 - 2) the rights and obligations of the custodian and its client;
 - 3) the payment procedure for the custodian fees;
 - 4) the terms and procedure for generating income on securities transferred for custodian service and crediting such income to the client's account;
 - 5) the procedure for terminating the custodian service agreement;
 - 6) the responsibilities of the parties;
 - 7) other provisions in accordance with legislation of the Republic of Kazakhstan.

CHAPTER XV. TRANSFER AGENT ACTIVITIES

ARTICLE 76. TERMS AND PROCEDURE FOR CONDUCTING TRANSFER AGENT ACTIVITIES

1. Transfer agent activities on the securities market shall be conducted for the purposes of acceptance and delivery of documents (information) between clients of a transfer agent.
2. The terms and procedure for conducting transfer agent activities on the securities market shall be established by a normative legal act of the authorized agency and the regulations of a licensee.

ARTICLE 77. FUNCTIONS OF A TRANSFER AGENT

1. A transfer agent shall perform the following functions:
 - 1) registration and keeping records of documents received for the purpose of transfer;
 - 2) registration and keeping records of documents transferred to clients;

- 3) ensuring the safety of the electronic database used in conducting transfer agent activities;
 - 4) maintenance of the electronic systems used in conducting transfer agent activities in good working order;
 - 5) other functions stipulated by legislation of the Republic of Kazakhstan.
2. Relations between a transfer agent and its clients shall arise on the basis of a transfer agent service agreement to which the provisions of an agency agreement established by the Civil Code of the Republic of Kazakhstan shall apply.

CHAPTER XVI. THE CENTRAL DEPOSITARY

ARTICLE 78. THE MAIN PRINCIPLES OF THE CENTRAL DEPOSITARY'S ACTIVITIES

1. The central depository shall be a non-profit organization. The central depository's shares shall be placed among professional securities market participants, trade organizers and international financial organizations.
2. The central depository's depositors shall be professional securities market participants which are nominee securities holders, foreign depositors and custodians.
3. The terms and procedure for conducting the central depository activities on the securities market shall be established by this Law, normative legal acts of the authorized agency and the regulations (rules) of the central depository.

The central depository shall be the sole organization in the territory of the Republic of Kazakhstan for conducting depository activities.

ARTICLE 79. THE CENTRAL DEPOSITARY MANAGEMENT

1. The bodies of the central depository, their functions and powers, the procedure for formation and decision-making shall be established by this Law, a normative legal act of the authorized agency and the charter and regulations of the central depository.
2. A representative of the authorized agency shall be included on the board of directors of the central depository on a permanent basis and have the right of vote.

ARTICLE 80. FUNCTIONS OF THE CENTRAL DEPOSITARY

1. The following shall be the functions of the central depository:
 - 1) performance of nominee holding;
 - 2) keeping records of rights under securities and other financial instruments;

- 3) registration of transactions with securities and other financial instruments;
 - 4) confirmation of the rights of its depositors and clients under securities and other financial instruments;
 - 5) clearing of transactions with financial instruments;
 - 6) performance of the functions of a payment agent under transactions with financial instruments placed in nominee holding;
 - 7) performance of the functions of a payment agent for payments of income on securities and upon their redemption;
 - 8) providing information to a depositor at an issuer's request;
 - 9) consulting, information and other services which do not contradict legislation of the Republic of Kazakhstan;
 - 10) opening accounts for a depositor in respect of money intended for transactions with securities and other financial instruments;
 - 11) keeping and dematerialization of financial instruments issued in the documentary form.
2. Having a license, the central depository may conduct certain types of banking operations in accordance with legislation of the Republic of Kazakhstan.
- Monetary settlements following the execution of transactions with financial instruments shall be made by the central depository or other organization having such right upon the central depository's instructions.
3. The central depository shall provide depository servicing of transactions with state issue securities in accordance with legislation of the Republic of Kazakhstan and its set of rules.
4. The central depository shall make settlements with regard to financial instruments and provide clearing servicing of transactions in accordance with the normative legal acts of the authorized agency and its set of rules.

ARTICLE 81. THE SET OF RULES OF THE CENTRAL DEPOSITORY

1. The set of rules of the central depository shall define relationships between the central depository and securities market participants.

Compliance with the set of rules of the central depository shall be obligatory for all entities which are depositors of the central depository and/or effectuate transactions using the central depository's services.

The set of rules of the central depository shall be elaborated by its executive body, agreed with the authorized agency and approved by the general shareholder meeting of the central depository.

2. The set of rules of the central depository must contain:
 - 1) rules for registering transactions with securities and other financial instruments;
 - 2) rules for keeping records of issue securities and other financial instruments;
 - 3) rules for storage and dematerialization of securities and other financial instruments issued in the documentary form;
 - 4) rules for clearing activities;
 - 5) procedures for reporting to depositors;
 - 6) procedures for interaction with securities market participants;
 - 7) the size and procedures for payment of the central depository's fees;
 - 8) rules for accounting for the money of depositors and their clients;
 - 9) other provisions which do not contradict legislation of the Republic of Kazakhstan.

ARTICLE 82. RESTRICTIONS ON THE CENTRAL DEPOSITORY ACTIVITIES

1. The central depository may not:
 - 1) delegate its functions to other persons in accordance with legislation of the Republic of Kazakhstan and its set of rules;
 - 2) register transactions with financial instruments in the absence of the relevant orders of its depositors or trade organizers;
 - 3) disclose commercial secrets regarding its depositors (clients), records of financial instruments on the personal accounts (sub-accounts) of depositors (clients), professional secrets;
 - 4) commit actions violating the rights and interests of depositors and their clients.
2. The central depository may not participate in the creation and activities of legal entities, except instances provided for by a normative legal acts of the authorized agency.

CHAPTER XVII. THE TRADE ORGANIZER

ARTICLE 83. ORGANIZATIONAL STRUCTURE OF THE TRADE ORGANIZER

1. The requirements for the organizational structure of the trade organizer shall be established by a normative legal act of the authorized agency.
2. For the purposes of control over the execution of transactions with financial instruments, the organizational structure of the trade organizer must include a structural division responsible for

supervision of transactions effectuated in the trade system of the trade organizer.

The procedures for activities conducted by such structural division of the trade organizer shall be established by a normative legal act of the authorized agency.

ARTICLE 84. MANAGEMENT OF THE TRADE ORGANIZER

1. The bodies of the trade organizer, their functions and powers, the procedure for formation and decision-making shall be established by legislation of the Republic of Kazakhstan, the charter and regulations of the trade organizer.
2. Shares of the trade organizer shall be placed among professional securities market participants, legal entities which are not professional securities market participants, but have the right to effectuate transactions with financial instruments other than securities in accordance with legislation of the Republic of Kazakhstan.

Each shareholder of the stock exchange shall have one vote at the general meeting of its shareholders, regardless of the number of shares owned.

3. A representative of the authorized agency shall be included on the board of directors of the trade organizer on a permanent basis and have the right of vote.
4. When the board of directors of the trade organizer adopts decisions regarding listing, delisting or change of the listing category of securities, members of the board of directors that are representatives of:
 - 1) an issuer whose securities are listed at the stock exchange, delisted or transferred to another category of the list pursuant to the above decision (hereinafter the “interested issuer”);
 - 2) entities which are subsidiaries or dependent joint-stock companies of the interested issuer;
 - 3) entities with respect to which the interested issuer is a subsidiary or a dependent joint-stock company;
 - 4) entities which together with the interested issuer are subsidiaries dependent joint-stock companies of third partiesmay not have the right of vote.

ARTICLE 85. RULES OF THE TRADE ORGANIZER

1. The rules of the trade organizer shall be elaborated by its executive body, agreed with the authorized agency and approved by the board of directors of the trade organizer.
2. The rules of the trade organizer shall regulate the activities of members of the trade organizer when effectuating transactions with

financial instruments admitted to circulation in the trade system of the trade organizer and legal relations arising between the trade organizer and its members (clients).

3. The rules of the trade organizer shall include the regulations of the trade organizer which regulate matters pertaining to the functions of the trade organizer.
2. The rules of the stock exchange must define:
 - 1) the categories of stock exchange membership, the terms and procedures for admission to stock exchange membership, the rights and obligations of stock exchange members, the terms and procedures for suspension or termination of stock exchange membership;
 - 2) requirements for issuers whose securities are proposed for listing or are listed at the stock exchange and for such securities;
 - 3) the terms and procedures for listing, delisting or change of listing category;
 - 4) the obligations and responsibilities of issuers whose securities are listed at the stock exchange (including disclosure of information);
 - 5) the procedures for conducting stock exchange tradings in securities;
 - 6) the procedures for settlements under transactions with financial instruments executed at stock exchange tradings;
 - 7) the size and procedures for payments of stock exchange duties for securities and other payments in respect of financial instruments levied by the stock exchange;
 - 8) methods of appraisal of financial instruments admitted to circulation in the trade system of the stock exchange;
 - 9) the responsibilities of the stock exchange members for violation of the trading rules, the size and procedure for payments of penalties levied by the stock exchange;
 - 10) the procedure for resolution of disputes and conflicts arising in the course of conducting transactions with financial instruments.

ARTICLE 86. MEMBERS OF THE STOCK EXCHANGE

1. Members of the stock exchange shall be professional securities market participants and other legal entities having the right to execute transactions with financial instruments other than securities in accordance with legislation of the Republic of Kazakhstan.
2. The stock exchange must have at least ten members – professional securities market participants.

3. Foreign legal entities which meet the requirements established by normative legal acts of the authorized agency may be members of the stock exchange.
4. The requirements for candidates for stock exchange membership, the procedure for admission to membership, suspension and termination of membership and the rights and obligations of members of the stock exchange shall be established by the rules of the stock exchange.
5. Members of the stock exchange may participate in tradings in those types of financial instruments with which such members of the stock exchange are allowed to execute transactions.

ARTICLE 87. FINANCING OF THE TRADE ORGANIZER ACTIVITIES

1. The trade organizer's income shall be formed by funds received from its principal operations.
2. Fees and duties shall levied by the trade organizer in the following instances:
 - 1) for admission to the trade organizer membership;
 - 2) for use of the trade organizer's property;
 - 3) for securities listing and their being on the trade organizer's list;
 - 4) for registration and completion of transactions;
 - 5) for information services;
 - 6) in other instances provided for by the rules of the trade organizer.

ARTICLE 88. STOCK EXCHANGE OPERATIONS

1. The stock exchange shall be a non-profit organization.

The stock exchange may organize and conduct tradings with financial instruments other than securities in accordance with legislation of the Republic of Kazakhstan and the stock exchange regulations.
2. The stock exchange shall perform the following functions:
 - 1) operating and maintaining the trading systems;
 - 2) elaborating requirements for issuers whose securities are proposed for listing or are listed at the stock exchange and for securities and other financial instruments to be admitted (admitted) to circulation at the stock exchange;
 - 3) providing its members with access to the trading systems in order to effectuate transactions with securities and other financial instruments admitted to circulation at the stock exchange;

- 4) organizing and conducting regular tradings in securities and other financial instruments admitted to circulation at the stock exchange;
- 5) organizing and conducting settlements under transactions with securities and other financial instruments admitted to circulation at the stock exchange, or preparation of information required for executing such settlements;
- 6) providing organizational, consulting, information and other services to its members;
- 7) conducting analytical research on matters pertaining to the securities and other financial instruments market;
- 8) conducting certain types of banking operations in accordance with the procedure established by banking legislation of the Republic of Kazakhstan;
- 9) other functions provided for by the stock exchange regulations.

ARTICLE 89. THE STOCK EXCHANGE LIST

1. The terms and procedures for including securities on the stock exchange list shall be established by its rules.

The authorized agency shall establish the requirements for issuers and their securities to be admitted (admitted) to circulation at the stock exchange and for certain categories of the stock exchange list.

2. Issuers whose issue securities are listed at the stock exchange and the initiators of admission of such securities shall be obliged to comply with the requirements established by this Law, normative legal acts of the authorized agency and the stock exchange rules regarding the disclosure of information about issuers' activities and securities to be listed (listed) at the stock exchange.
3. If issuers do not comply with the established requirements, the stock exchange may take measures in order to eliminate violations in accordance with its rules.
4. Securities listed at the stock exchange may not be concurrently admitted to circulation at another stock exchange or other organized securities markets in the territory of the Republic of Kazakhstan.

ARTICLE 90. ACTIVITIES OF THE QUOTATION ORGANIZATION OF THE OFF-BOARD MARKET

1. The main purpose of the quotation organization of the off-board market (the "quotation organization") shall be to organize a system of exchange of securities quotations among its clients.

Only professional securities market participants may be clients of the quotation organization.

Unless prohibited by legislation of the Republic of Kazakhstan, the quotation organization may also organize an exchange of financial

instruments other than securities in accordance with a normative legal act of the authorized agency and the regulations of the quotation organization.

2. The quotation organization shall perform the following functions:
 - 1) operating and maintaining the system of exchange of securities quotations (the “information system”);
 - 2) providing its clients with access to the information systems in order to effectuate transactions with securities and other financial instruments admitted to circulation at the quotation organization;
 - 3) organizing a regular exchange of quotations of securities and other financial instruments among the clients of the quotation organization;
 - 4) organizing an exchange of information regarding transactions effectuated with securities and other financial instruments among the clients of the quotation organization;
 - 5) providing its clients with information required for effectuating transactions with securities and other financial instruments admitted to circulation at the quotation organization;
 - 6) other functions provided for by this Law, normative legal acts of the authorized agency and the regulations of the quotation organization.
3. Securities admitted to circulation at the stock exchange may not be admitted to circulation at the quotation organization.

CHAPTER XVIII. SELF-REGULATING ORGANIZATIONS ON THE SECURITIES MARKET

ARTICLE 91. THE PURPOSE AND OBJECTIVE OF A SELF-REGULATING ORGANIZATION

1. The main purpose of a self-regulating organization shall be to protect the rights and interests of its members and their clients and ensure the creation of unified conditions for conducting professional activities on the securities market.
2. The main objectives of a self-regulating organization shall be the following:
 - 1) establishment of unified rules and standards of professional activities of the members of a self-regulating organization;
 - 2) control and supervision of the activities of the members of a self-regulating organization and their compliance with legislation of the Republic of Kazakhstan on the securities market;
 - 3) protection of the rights and interests of the members of a self-regulating organization and their clients;

- 4) resolution of disputes between members of a self-regulating organization and between its members and their clients;
- 5) representation of the interests of members of a self-regulating organization and their clients in state agencies, courts and other organizations.

ARTICLE 92. THE LEGAL STATUS OF SELF-REGULATING ORGANIZATIONS

1. The status of a self-regulating organization shall be conferred by the authorized agency to a legal entity on the basis of documents confirming that:
 - 1) at least half of all licensees engaged in a certain types of activity on the securities market are members of such legal entity;
 - 2) the regulations of such legal entity provided for in Article 94 hereof have been agreed with the authorized agency;
 - 3) all employees (except technical staff) have the relevant categories of qualification certificates;
 - 4) its executive officers are not affiliated persons of such legal entity's members.

A legal entity shall be deprived of the status of a self-regulating organization in case of failure to meet the requirements specified in paragraphs 1) - 4) of this Section.

The procedure for conferring the status of a self-regulating organization to a legal entity and depriving of such status shall be established by a normative legal act of the authorized agency.

2. The name of a self-regulating organization must contain the indication of the principal types of activity of its members and the words "Association" or "Union".

ARTICLE 93. THE FUNCTIONS OF A SELF-REGULATING ORGANIZATION

1. The following shall be the functions of a self-regulating organization:
 - 1) submission of proposals regarding draft normative legal acts to the authorized agency, elaborating normative legal acts establishing the procedures for conducting professional activities on the securities market;
 - 2) consideration of disputes arising between members of the self-regulating organization and disputes arising between its members and their clients on the securities market;
 - 3) elaboration of training programs and training of persons intending to be engaged in activities on the securities market subject to permission of the authorized agency;

- 4) participation in the testing of persons intending to be engaged in activities on the securities market or prove their professional qualifications;
 - 5) determination and publishing the ratings of members of the self-regulating organization;
 - 6) participation in examinations of the activities of members of the self-regulating organization initiated by the authorized agency;
 - 7) control over the activities of its members on the securities market and application of disciplinary actions provided by its regulations to members of the self-regulating organization which violate legislation of the Republic of Kazakhstan and the regulations of the self-regulating organization.
2. A self-regulating organization may require that its members provide information regarding their activities on the securities market, except information constituting a commercial, professional or other secret protected by law.
 3. A self-regulating organization shall provide its members with information furnished by the authorized agency in relation to the activities of its members.

ARTICLE 94. THE REGULATIONS OF A SELF-REGULATING ORGANIZATION

1. The regulations of a self-regulating organization shall establish:
 - 1) the rules and standards of the activities of the members of the self-regulating organization;
 - 2) the rules for carrying out control and/or supervisory measures by the self-regulating organization in respect of the activities of its members;
 - 3) the rules for resolving disputes arising between members of the self-regulating organization and disputes arising between its members and their clients;
 - 4) the rules for admission, suspension and termination of self-regulating organization membership;
 - 5) the rules of professional ethics of the members of the self-regulating organization;
 - 6) the rules for imposing penalties.
2. A self-regulating organization may establish rules for insuring the operations of its members.

ARTICLE 95. APPROVAL OF THE REGULATIONS OF A SELF-REGULATING ORGANIZATION

1. The regulations of a self-regulating organization shall be elaborated by the board of members of the self-regulating organization, agreed

with the authorized agency and approved by the general meeting of the members of the self-regulating organization.

2. The regulations of a self-regulating organization shall be binding upon the members of the self-regulating organization from the date set by the general meeting of its members.
3. The authorized agency may refuse to grant its consent to the regulations of a self-regulating organization if they are not in compliance with legislation of the Republic of Kazakhstan.

A grounded refusal to grant consent shall be delivered to the self-regulating organization within thirty calendar days following the receipt of the regulations of a self-regulating organization.

ARTICLE 96. PETITIONS OF A SELF-REGULATING ORGANIZATION

1. A self-regulating organization may petition the authorized agency for the following matters in respect of its members:
 - 1) the issue, suspension and termination the license of a member of the self-regulating organization;
 - 2) an examination of the activities of a member of the self-regulating organization;
 - 3) bringing a member of the self-regulating organization to administrative responsibility.
2. A self-regulating organization's petition shall be taken into consideration by the authorized agency when adopting a decision with regard to a member of the self-regulating organization.

ARTICLE 97. RELATIONSHIPS BETWEEN A SELF-REGULATING ORGANIZATION AND THE AUTHORIZED AGENCY

1. The authorized agency may not interfere into the activities of a self-regulating organization, except instances provided for by this Law and legislation of the Republic of Kazakhstan on the securities market.
2. A self-regulating organization shall provide the authorized agency with information regarding violations by its member of legislation of the Republic of Kazakhstan and the regulations of the self-regulating organization and sanctions taken against members of the self-regulating organization.
3. The authorized agency shall engage specialists of a self-regulating organization in drafting a normative legal act concerning the interests of self-regulating organizations and their clients.

ARTICLE 98. ADMISSION TO MEMBERSHIP IN A SELF-REGULATING ORGANIZATION

1. The procedure for admission to membership in a self-regulating organization shall be established by the regulations of a self-regulating organization.
2. An application for membership in a self-regulating organization shall be reviewed within thirty calendar days following its filing with the self-regulating organization. An application shall be accompanied by documents the list of which shall be determined by the regulations of the self-regulating organization. The decision to admit to membership shall be adopted by the board of members of the self-regulating organization.
3. The decision to deny admission to membership may be appealed in court.

ARTICLE 99. TERMINATION OF MEMBERSHIP IN A SELF-REGULATING ORGANIZATION

1. A member may be expelled from a self-regulating organization on the basis of the regulations of the self-regulating organization in the following instances:
 - 1) upon application of a member of the self-regulating organization;
 - 2) the license a member of the self-regulating organization for conducting professional activities on the securities market is revoked or terminated;
 - 3) a member of the self-regulating organization violates legislation of the Republic of Kazakhstan and the regulations of the self-regulating organization.
2. Expulsion from membership in a self-regulating organization may be appealed in court within a month following the delivery of a copy of the decision of the board of members of the self-regulating organization.

ARTICLE 100. PROTECTION OF THE RIGHTS AND INTERESTS OF THE CLIENTS OF THE MEMBERS OF A SELF-REGULATING ORGANIZATION

1. A self-regulating organization shall protect the rights and interests of the clients of its members by considering their petitions. A self-regulating organization shall apply sanctions against its member based on the results of petition consideration and given grounds therefor.
2. An unreasonable refusal to consider a petition may be appealed by a client of a member of a self-regulating organization in the authorized agency.

CHAPTER XIX. INFORMATION ON THE SECURITIES MARKET

ARTICLE 101. DISCLOSURE OF INFORMATION BY AN ISSUER IN THE COURSE OF PLACEMENT OF ISSUE SECURITIES ON THE PRIMARY SECURITIES MARKET

1. An issuer of issue securities placed among an unlimited number of investors shall be obliged to disclose the following information to any interested parties:
 - 1) information contained in the offering circular;
 - 2) information contained in reports submitted to the authorized agency in accordance with legislation of the Republic of Kazakhstan;
 - 3) information included in financial reports;
 - 4) other information to be disclosed pursuant to legislation of the Republic of Kazakhstan or the regulations of the trade organizer (if such securities are listed with the trade organizer) or the regulations of such issuer.
2. An issuer shall disclose information by:
 - 1) providing the authorized agency with information which is deemed by this Law and other legislation of the Republic of Kazakhstan as affecting the interests of investors (shareholders);
 - 2) providing the trade organizer with information pursuant to the regulations of such trade organizer if the issuer's securities are listed with the trade organizer;
 - 3) publishing information in a printed publication.
3. A issuer shall disclose information to securities holders through the registrar maintaining the system of securities holder registers.

ARTICLE 102. DISCLOSURE OF INFORMATION BY AN ISSUER IN THE COURSE OF CIRCULATION OF ISSUE SECURITIES ON THE SECONDARY SECURITIES MARKET

1. During the circulation of issue securities an issuer shall be obliged to disclose information regarding changes in its activities which affect the interests of securities holders to the authorized agency and securities holders.
2. The following changes in an issuer's activities shall be deemed affecting the interests of securities holders:
 - 1) changes in the composition of the issuer's bodies;
 - 2) changes in the composition of shareholders (participants) which own ten or more percent of the total voting shares (stakes) in the issuer (five or more percent of the shares – for a public joint-stock company);
 - 3) reorganization or liquidation of the issuer, its subsidiaries and dependent joint-stock companies;

- 4) seizure of the issuer's property;
 - 5) issue, suspension or termination the issuer's license;
 - 6) decisions of the general meeting of the issuer's shareholders (participants);
 - 7) changes in the list of organizations where the issuer owns ten or more percent of the total voting shares (stakes) in each of such organizations (five or more percent of the shares in a public joint-stock company).
3. An issuer shall be obliged to provide the authorized agency with information regarding changes within fifteen calendar days of their occurrence.
 4. An issuer shall notify securities holders of changes specified in Section 2 of this Article by publishing a notice thereof in a printed publication.

ARTICLE 103. DISCLOSURE OF INFORMATION BY A LICENSEE

1. A licensee shall:
 - 1) disclose to its client information affecting the rights and interests of such client pursuant to an agreement;
 - 2) provide its client with an opportunity to review all available information regarding securities and their issuer (except information constituting a commercial and professional secret on the securities market) when receiving an order to effectuate a securities transaction;
 - 3) notify its client of potential and actual conflicts of interests in the course of effectuating a transaction with financial instruments upon an order from such client;
 - 4) notify its client of limitations and special conditions established by legislation of the Republic of Kazakhstan in relation to a proposed transaction with financial instruments;
 - 5) explain to its client the reasons for refusing to execute its order;
 - 6) provide the authorized agency with information regarding effectuated transactions with financial instruments in respect to which legislation of the Republic of Kazakhstan requires a mandatory disclosure of information regarding such transactions and the clients on whose orders such transactions were effectuated;
 - 7) provide client with information received from issuers and intended for dissemination;
 - 8) disclose to clients information relating to the licensee's activities in the volume and in accordance with the procedure established by normative legal acts of the authorized agency;

- 9) inform the authorized agency of any amendments and additions to the documents submitted for obtaining a license.

ARTICLE 104. DISCLOSURE OF INFORMATION BY THE TRADE ORGANIZER

1. The trade organizer shall disclose available information regarding listed securities and their issuers (except information constituting a commercial and professional secret on the securities market) to any interested party.
2. Information to be disclosed by the trade organizer pursuant to Section 1 of this Article shall be disseminated by publishing in mass media pursuant to the legislative acts of the Republic of Kazakhstan on mass media and other available means in accordance with the regulations of the trade organizer.
3. The procedure for disseminating information to be disclosed by the trade organizer pursuant to Section 1 of this Article among member of such trade organizer and the procedure for providing interested parties with copies of available documents containing such information shall be defined by the regulations of the trade organizer.

ARTICLE 105. DISCLOSURE OF INFORMATION BY AN INVESTOR AND A REGISTERED PERSON

1. A registered person shall notify the registrar (nominee holder) of any changes in its data contained in the system of securities holder registers and the system of nominee holding records within ten calendar days following their occurrence.
2. The registrar (nominee holder) shall not be responsible to a securities holder for any losses incurred as a result of non-receipt or untimely receipt from such securities holder of a notice of changes in the data contained in the system of securities holder registers and the system of nominee holding records.
3. Legislative acts of the Republic of Kazakhstan may impose an obligation on an investor (securities holder) to disclose information about itself and its affiliates to state agencies when making investments into issue securities.

ARTICLE 106. DISCLOSURE OF INFORMATION BY THE AUTHORIZED AGENCY

1. The authorized agency shall disclose the following information pursuant to its normative legal acts:
 - 1) information contained in offering circulars;
 - 2) information contained in issuers' reports submitted to the authorized agency pursuant to legislation of the Republic of Kazakhstan;
 - 3) information regarding the issue, revocation, suspension, renewal and termination of licenses (permits) for conducting activities on the securities market and the causes thereof;

- 4) information regarding the issue, revocation, suspension, renewal and termination of qualification certificates providing permission to perform certain work on the securities market and the causes thereof;
- 5) other information in accordance with legislation of the Republic of Kazakhstan.

ARTICLE 107. THE AUTHORIZED AGENCY'S RIGHT TO RECEIVE INFORMATION

In order to ensure an efficient and timely performance of the assigned functions the authorized agency shall be entitled within its authority to receive the necessary information (including information constituting a commercial and professional secret on the securities market) from issuers, licensees and self-regulating organizations. The received information shall not be disclosed, except instances provided for by legislative acts of the Republic of Kazakhstan.

CHAPTER XX. CONTROL OVER THE ACTIVITIES OF SECURITIES MARKET PARTICIPANTS

ARTICLE 108. EXAMINATION OF THE ACTIVITIES OF SECURITIES MARKET PARTICIPANTS

1. The authorized agency shall have the right to examine the activities of issuers, licensees and organizations training specialists for work on the securities market.
2. The terms and procedures for conducting examinations shall be established by a normative legal act of the authorized agency in accordance with legislative acts of the Republic of Kazakhstan.
3. The following shall be the grounds for an examination:
 - 1) investors' requests;
 - 2) securities holders' requests;
 - 3) requests of professional securities market participants and self-regulating organizations;
 - 4) a court judgment, an order of a procurator or an investigation agency regarding the conduct of an examination or the participation of the authorized agency's employees in an examination;
 - 5) inconsistencies in information contained in documents revealed by the authorized agency when reviewing documents submitted by an issuer for state registration of an issue of securities, review and approval of a report of the results of placement or redemption of issue securities;
 - 6) inconsistencies revealed by the authorized agency when reviewing reports on licensees' activities;

- 7) information regarding a transaction effectuated with issue securities and other financial instruments with the use of information which constitutes a commercial and professional secret on the securities market.
4. The authorized agency shall have the right to examine securities market participants at its own initiative once a calendar year, except instances provided for by Section 3 of this Article.

ARTICLE 109. PROCEDURES FOR CONDUCTING AN EXAMINATION OF A SECURITIES MARKET PARTICIPANT

1. The authorized agency shall conduct an examination at the location of the securities market participant or at its own location.

An examination shall be conducted by an examination commission consisting of the authorized agency's employees.

The authorized agency may request state agencies and self-regulating organizations to provide their specialists for participation in an examination.
2. The authorized agency shall conduct an examination by reviewing documents regarding the activities of a securities market participant.

In the course of an examination the authorized agency may interview employees of the securities market participant in order to get their oral and written explanations on matters under examination.
3. Based on the results of an examination of a securities market participant the examination commission shall execute an examination report which is presented to the securities market participant examined for review.

The securities market participant may present its objection regarding the examination report as a whole (its separate items).
4. Upon completion and delivery of an examination report to the securities market participant the authorized agency may give an order to such participant to eliminate found violations within the time set by the authorized agency.
5. If the securities market participant fails to eliminate violations found in the course of the examination of its activities, the authorized agency may apply measures provided by this Law and other legislative acts of the Republic of Kazakhstan to the participant and its employees.

The authorized agency may apply such measures to the offender and its employees without setting any time for eliminating found violations, if such violations are of incurable nature.

ARTICLE 110. CONTROL OVER AN ISSUER'S ACTIVITIES

In order to perform its control functions in the course of a placement, circulation and redemption of issue securities the authorized agency may conduct examinations of an issuer on the following matters:

- 1) compliance of the decision adopted by the body of such issuer on the issue or placement of issue securities, execution of options in accordance with legislation of the Republic of Kazakhstan and the issuer's charter;
- 2) payments of income on issue securities and performance by the issuer of other obligations to securities holders in accordance with the offering circular;
- 3) submission of documents for state registration of an issue of securities and reports on the results of their placement or redemption;
- 4) compliance with the requirement to provide the authorized agency and securities holders with information regarding changes in its activities;
- 5) compliance with the requirements of legislation of the Republic of Kazakhstan when effectuating major transactions or transactions of its interest;
- 6) observance of the rights and interests of securities holders when returning initial investments in the event of cancellation of an issue, voluntary reorganization or liquidation of the issuer;
- 7) acquisition and loss of the status of a public joint-stock company;
- 8) publication of information regarding the issuer's activities in mass media.

ARTICLE 111. CONTROL OVER A LICENSEE'S ACTIVITIES

In order to perform its control functions the authorized agency may conduct examinations of a licensee on the following matters:

- 1) compliance of the activities on the securities market with legislation of the Republic of Kazakhstan and the regulations of the self-regulating organization and the licensee;
- 2) observance of the rights and interests of clients when effectuating securities transactions;
- 3) compliance with prudential standards;
- 4) voluntary reorganization or liquidation.

ARTICLE 112. CONTROL OVER THE ACTIVITIES OF A SELF-REGULATING ORGANIZATION

In order to perform its control functions in relation to a self-regulating organization the authorized agency may:

- 1) require submission of information regarding the activities of the self-regulating organization and its members;
- 2) give binding orders to the self-regulating organization and demand reports of execution.

CHAPTER XXI. FINAL PROVISIONS

ARTICLE 113. RESPONSIBILITY FOR BREACH OF SECURITIES MARKET LEGISLATION OF THE REPUBLIC OF KAZAKHSTAN

Persons guilty of a breach of securities market legislation of the Republic of Kazakhstan shall bear responsibility in accordance with the laws of the Republic of Kazakhstan.

ARTICLE 114. PROCEDURE FOR ENTERING THIS LAW INTO FORCE

1. This Law shall enter into force from the date of its official publication.
2. The following laws shall be invalidated:
 - 1) the Republic of Kazakhstan Law “On the Securities Market” (dated March 5, 1997); the Republic of Kazakhstan Law “On Amendments to Certain Legislative Acts of the Republic of Kazakhstan Concerning the Securities Market and Joint-Stock Companies” (dated May 16, 2003); the Republic of Kazakhstan Law “On Amendments to Certain Legislative Acts of the Republic of Kazakhstan Concerning Mortgage Crediting” (dated June 10, 2003);
 - 2) the Republic of Kazakhstan Law “On the Registration of Securities Transactions in the Republic of Kazakhstan” (dated March 5, 1997); the Republic of Kazakhstan Law “On Amendments to Certain Legislative Acts of the Republic of Kazakhstan Concerning the Securities Market and Joint-Stock Companies” (dated May 16, 2003).

President of the Republic of Kazakhstan

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