

## PRESS RELEASE

city of Almaty

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### **KASE delegated clearing and settlement activities on the stock market to KASE Clearing Center JSC**

Kazakhstan Stock Exchange JSC (hereinafter – KASE, the Exchange) has delegated its clearing and settlement functions, as well as functions of the central counterparty (hereinafter – the CCP) to a 100 % subsidiary of the Exchange – KASE Clearing Center JSC (hereinafter – the Clearing Center).

The split of functions of the exchange market infrastructure was carried out in order to create attractive conditions for investors, when they carry out transactions on the organized market, to attract foreign investors, to introduce the best global standards, to expand opportunities for providing services on other exchange markets in Kazakhstan and the region, as well as sharing the risks of infrastructure organizations.

As part of the preparation for transfer of clearing and settlement functions, the Clearing Center has obtained licenses to carry out clearing activities in the securities market, as well as to carry out certain types of banking operations, introduced the necessary processes and established business relations with financial organizations that make up the market infrastructure and which are its users.

Since September 25, 42 financial organizations – KASE members of the "stock" category, have become clearing participants of the Clearing Center. More than 1,500 financial instruments have been accepted for clearing services, including 989 issues of securities of 253 issuers listed on KASE.

As the CCP, the Clearing Center is supposed to reduce the risks of participants, guarantee the completion of settlements of transactions, and reduce transaction costs for participants using the cross-margining and netting. The CCP services allow providing guarantees for investors in terms of the timely receipt of assets under transactions, introducing risk management and adequate evaluation of instruments in real time.

Let us remind you that KASE has gradually introduced the CCP in all its markets. First, on the derivatives market back in 2012. Then in 2018, the CCP was launched by the Exchange in the currency market. In 2019-2020, the CCP also began to operate in the stock and money markets.

#### **For reference**

Kazakhstan Stock Exchange (KASE) is a leading stock exchange in the Central Asian region. KASE occupies the second place among the CIS exchanges in terms of securities trading volume, and the fourth place in terms of the equity market capitalization among the FEAS exchanges.

It is a universal trading platform for corporate and government securities, bonds of international financial organizations, foreign currencies, transactions of the money market – repo and swap, as well as derivatives. KASE is a member of the World Federation of Exchanges (WFE), the Federation of Euro-Asian Stock Exchanges (FEAS), the International Association of Exchanges of the Commonwealth of Independent States (IAB CIS) and other international and local professional associations, as well as a participant of the UN's "Sustainable Stock Exchanges" initiative.

*Additional information: +7 (727) 237 5342, pr@kase.kz*

KASE Clearing Center JSC was created through the reorganization of a subsidiary of the Exchange – eTrade.kz LLP, and registered on June 21, 2022. The Clearing Center was created in accordance with

the line of the Exchange's Development Strategy until 2024 called "Development of the central counterparty as a key infrastructure element".

*Additional information:* +7 (727) 237 5342, [pr@kase.kz](mailto:pr@kase.kz)