

CODE OF RULES

Introduction to the Code of Rules of Central Securities Depository JSC

Approved

by the decision of the Board of Directors
of Central Securities Depository JSC

(record of absentee voting
No. 108 (3) dated 14 December 2018)

Put into effect

from 01 January 2019

AMENDMENT SHEET

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- approved by the decision of the Board of Directors of Central Securities Depository JSC (record of absentee voting No. 44 (3) dated 14 June 2019);
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The Code of Rules of Central Securities Depository JSC (hereinafter, the “Code of Rules”) has been developed in accordance with the legislation of the Republic of Kazakhstan and sets forth the conditions and manner of activities of the Central Securities Depository Joint-Stock Company (hereinafter, the “Central Securities Depository”) on the financial market.

Chapter 1. GENERAL PROVISIONS ON THE CODE OF RULES

Article 1. Content and Composition of the Code of Rules

1. The Code of Rules is a set of internal documents of the Central Securities Depository, which in accordance with the Law of the Republic of Kazakhstan On the Securities Market collectively determine (subject to the limitation established by Article 2 of this Introduction):
 - 1) the order of activities on maintaining the system of registers of security holders and registers of participants of limited liability partnerships;
 - 2) the order of maintaining the system of registers of holders of government securities;
 - 3) the order of depository activities;
 - 4) the order of conducting certain types of banking operations (subject to license for certain banking operations);
 - 5) *(this subparagraph was excluded by the decision of the Board of Directors of the Central Securities Depository dated 09 July 2020);*
 - 6) the order of performing the paying agent’s functions (subject to license to certain banking operations);
 - 7) the order of activities on maintaining the register of transactions with derivative financial instruments concluded on the organized and unorganized markets;
 - 8) the order of assigning international identification numbers (ISIN codes) and other identifiers to securities and other financial instruments;
 - 9) (from 01 July 2019) the order of activities on organizing the trading in securities and other financial instruments;
 - 10) other rules not contradicting the legislation of the Republic of Kazakhstan.

2. The Code of Rules is comprised of this Introduction and other internal documents of the Central Securities Depository, as shown in Annex 1 hereto.

Annex 1 hereto shall be regularly updated with each change in composition of the Code of Rules and simultaneously with such change. The necessary changes and/or additions to this annex do not require any formal decisions of the bodies and officers of the Central Securities Depository.

Article 2. Limitation of the Content of the Code of Rules

According to paragraph 1 of Article 81 of the Law of the Republic of Kazakhstan On the Securities Market, the Code of Rules is limited to regulating the relations of the Central Securities Depository with the securities market participants obliged to comply with the Code of Rules when using the services of the Central Securities Depository.

In the part not concerning the relations between the Central Securities Depository and the securities market participants, the Central Securities Depository operates on the financial market in accordance with the internal documents of the Central Securities Depository approved by decisions of its Management Board, and in accordance with decisions of the bodies and officers of the Central Securities Depository duly adopted within their competence.

Article 3. Limitation of the Scope of the Code of Rules

1. The Code of Rules valid to the extent not contradicting:
 - 1) the legislation of the Republic of Kazakhstan, including the legislation on combating the legalization (laundering) of criminal proceeds and the financing of terrorism;
 - 2) internal documents of organizations that provide services to the Central Securities Depository when the latter carries out its activities on the financial market, provided that these internal documents do not contradict the legislation of the Republic of Kazakhstan, including the legislation on combating the legalization (laundering) of criminal proceeds and the financing of terrorism.
2. If any provision of the Code of Rules becomes invalid, the other valid provisions of the Code of Rules will not be affected. The invalid provision of the Code of Rules will be replaced by a legally permissible and regulating the relevant relation.

Chapter 2. GENERAL PROVISIONS ON ACTIVITIES AND SERVICES OF THE CENTRAL SECURITIES DEPOSITORY ON THE FINANCIAL MARKET

Article 4. Types of Activities and Services of the Central Securities Depository on the Financial Market

1. As a “central depository”, the Central Securities Depository is specialized non-profit joint stock company as defined by subparagraph 73) of Article 1 of the Law of the Republic of Kazakhstan On the Securities Market.

According to paragraph 2-1 of Article 45 of the said law, the Central Securities Depository is the only organization that carries out depository activities in the Republic of Kazakhstan and maintains a system of registers of security holders.

2. The Central Securities Depository carries out the following activities on the financial market, including in pursuance of the laws of the Republic of Kazakhstan On the Securities Market and On Limited and Additional Liability Partnerships:
 - 1) maintaining the system of registers of security holders, including holders of government securities;
 - 2) maintaining registers of participants of limited liability partnerships;
 - 3) depository activities;
 - 4) certain types of banking operations:
 - opening and keeping of bank accounts of legal entities;
 - opening and keeping of bank accounts of individuals;
 - opening and keeping of correspondent accounts of banks and organizations implementing certain types of banking operations;
 - transfer operations; implementation of orders of individuals and legal entities on payments and money transfers;
 - 5) provision of services for performance of paying agent’s functions;
 - 6) clearing on transactions with financial instruments;
 - 7) maintaining the register of transactions with derivative financial instruments;
 - 8) assigning international identification numbers (ISIN codes) and other identifiers to securities and other financial instruments;
 - 9) (from 01 July 2019) activities on organizing the trading in securities and other financial instruments;
 - 10) provision of services for performance of counting commission’s functions;
 - 11) other activities not violating the prohibition established by the law of the Republic of Kazakhstan On the Securities Market on

the entrepreneurial activities of the Central Securities Depository not related to activities on the financial market.

3. In accordance with the laws of the Republic of Kazakhstan On the Securities Market and On Permits and Notifications, the activities of the Central Securities Depository on the financial market are not subject to licensing (subject to particularity and limitation in paragraph 4 of this Article).
4. In accordance with the law of the Republic of Kazakhstan On the Securities Market, the activities listed in subparagraphs 1), 2), 5), 8) of paragraph 2 of this Article are professional activities on the securities market carried out by the Central Securities Depository without a license from the National Bank of the Republic Kazakhstan as a licensor of activities in the financial sector and activities related to concentration of financial resources.

Certain banking operations are carried out by the Central Securities Depository subject to license from the National Bank of the Republic of Kazakhstan as a licensor of activities in the financial sector and activities related to concentration of financial resources.

5. As part of activities on the financial market, the Central Securities Depository provides services which types are determined by the legislation of the Republic of Kazakhstan and the internal documents of the Central Securities Depository included in the Code of Rules.

Article 5. Instruments Covered by Services of the Central Securities Depository

1. The categories of private property in respect of which the Central Securities Depository is obliged to provide services on the financial market are defined by the legislative acts of the Republic of Kazakhstan. The Central Securities Depository also provides services on the financial market in relation to other private property that meets the conditions listed in paragraph 2 of this Article.

2. The Central Securities Depository provides services on the financial market in relation to private property of any category, provided that:
 - 1) property of these categories falls within definition of "instrument" given in Annex 2 to this Introduction;
 - 2) property of these categories has not been withdrawn from circulation;
 - 3) property of these categories is not limited in circulation in a manner that:

prevents the Central Securities Depository from providing services on the financial market in relation to such property in the general conditions; and/or

makes it impossible for the Central Securities Depository to provide the services on the financial market in relation to such property in the general conditions;
 - 4) property of these categories is not included in the private property in respect of which the Central Securities Depository is prohibited to provide services on the financial market;
 - 5) property of these categories is not included in the private property in respect of which the Central Securities Depository is limited in providing services on the financial market in the manner that:

prevents the Central Securities Depository from providing services on the financial market in relation to such property in the general conditions; and/or

makes it impossible for the Central Securities Depository to provide the services on the financial market in relation to such property in the general conditions;
 - 6) property of these categories does not fall under the prohibition established by the law of the Republic of Kazakhstan On the Securities Market on the entrepreneurial activities of the Central Securities Depository not related to activities on the financial market;
 - 7) technical capabilities of the information systems of the Central Securities Depository allow it to provide services on the financial market in relation to the property of these categories.

Article 6. Clients of the Central Securities Depository

1. The categories of persons to which the Central Securities Depository has the right to provide services on the financial market are defined by or in accordance with the legislative acts of the Republic of Kazakhstan.
2. Belonging of the Central Securities Depository client to particular category of persons to which the Central Securities Depository has the right to provide services on the financial market determines the types of accounts (personal accounts, subaccounts) that the Central Securities Depository can open for this person, and the types of services that the Central Securities Depository can provide to this person (with certain allowable deviations related to specifics of the legislation of the Republic of Kazakhstan).

Article 7. Organizational and Legal Foundations of Services of the Central Securities Depository

1. The Central Securities Depository provides services on the financial market to persons participating in business relations with the Central Securities Depository when the latter carries out its activities in accordance with the Code of Rules.

The conditions and procedure for establishment, maintenance and termination of such business relations are determined by the internal document of the Central Securities Depository (Rules for Establishment, Maintenance and Termination of Business Relations) included in the Code of Rules.

2. The Central Securities Depository concludes with each client only one agreement necessary for that client to receive any services of the Central Securities Depository that can be provided to such client in accordance with the legislation of the Republic of Kazakhstan and the Code of Rules (subject to particularity established by paragraph 3 of this Article).
3. The valid agreement concluded between the Central Securities Depository and its client is the necessary but sufficient grounds for such client to receive a specific service of the Central Securities Depository.

Unless otherwise established by the internal documents of the Central Securities Depository included in the Code of Rules, in order to receive a specific service of the Central Securities Depository, and/or to use a specific method of receiving services of the Central Securities Depository, and/or to use a specific method of interaction with the Central Securities Depository, its client must provide the Central Securities Depository with an applying or executive document (for example, an application or order) defined for such case by the relevant internal document of the Central Securities Depository included in the Code of Rules (*this paragraph was amended by the decision of the Board of Directors of the Central Securities Depository dated 14 June 2019*).

Article 8. Conditions and Manner of Conducting Activities and Providing Services of the Central Securities Depository on the Financial Market

The conditions and procedure for the Central Securities Depository to carry out specific activities and provide specific services on the financial market are defined by the internal documents of the Central Securities Depository included in the Code of Rules (subject to limitation established by Article 2 of this Introduction).

Chapter 3. GLOSSARY OF THE CODE OF RULES

Article 9. Types of Verbal Designations

1. The Central Securities Depository uses in the Code of Rules the following types of verbal designations:
 - 1) definition;
 - 2) term;
 - 3) conventional (abbreviated) designation;
 - 4) abbreviation;
 - 5) verbal reservation.
2. Definition is a verbal designation of any object, phenomenon, event, property, action belonging to a class of homogeneous objects (phenomena, events, properties, actions) that has a clearly expressed unique economic, legal or economic and legal meaning.
3. Term is a verbal designation of an object, phenomenon, event, property, action, which is not a definition and is formed and generally accepted in the appropriate professional environment for convenience of quick identification of such object (phenomenon, event, property, action).
4. Conventional (abbreviated) designation is a verbal designation that is not a definition or term of an object, phenomenon, event, property, action, abbreviated relative to its full verbal name for ease of writing, reading,

perception and understanding and having limited use (for example, for purposes of only one document or group of similar documents).

5. Abbreviation is a verbal designation of an object, phenomenon, event, property, action, which is not a definition, term or conditional (abbreviated) designation, abbreviated in accordance with GOST 7.12-93.
6. Verbal reservation is a word or short phrase that is not a definition, term, conditional (abbreviated) designation or abbreviation, which is intended only to reduce the volume of text in one document by replacing any frequently used long word or phrase.
7. Definitions, terms and conditional (abbreviated) designations used in the Code of Rules are also used in other internal documents of the Central Securities Depository, in official documents and correspondence of the Central Securities Depository, and in information published (distributed, provided) by the Central Securities Depository.

Article 10. Terms and definitions

1. The Code of Rules uses definitions and terms defined by the legislation of the Republic of Kazakhstan.

Moreover, the Code of Rules uses definitions and terms not defined by the legislation of the Republic of Kazakhstan, and definitions and terms defined by the legislation of the Republic of Kazakhstan that for some reason cannot be used in the Code of Rules with the meanings specified by the legislation of the Republic of Kazakhstan. Explanations of such definitions and terms are given in Annex 2 to this Introduction.

2. In its internal documents included in the Code of Rules, the Central Securities Depository does not provide explanations of definitions and terms used in these documents and defined by the legislation of the Republic of Kazakhstan or by the Annex 2 to this Introduction.
3. An internal document of the Central Securities Depository included in the Code of Rules may contain explanations of additional terms used with the meanings specified by such document and only in such document.
4. With the exception specified in the second subparagraph of this paragraph, the internal documents of the Central Securities Depository included in the Code of Rules do not use definitions and terms that have different explanation depending on the areas of legislation in which they are used (for example, “resident”, “authorized body”).

An internal document of the Central Securities Depository included in the Code of Rules may use definition or term which explanation is not uniform for all areas of legislation, provided that the explanation of this definition (term) is given in Annex 2 to this Introduction or in such document.

Article 11. Conventional (abbreviated) designations

1. The Code of Rules uses conventional (abbreviated) designations which explanations are given in Annex 2 to this Introduction.
2. In its internal documents included in the Code of Rules, the Central Securities Depository does not provide explanations of conventional (abbreviated) designations used in these documents and defined by the Annex 2 to this Introduction.
3. An internal document of the Central Securities Depository included in the Code of Rules may contain explanations of conventional (abbreviated) designations used in the meanings specified by such document and only in such document.

Article 12. Abbreviations and verbal reservations

1. In the Code of Rules, the abbreviations are used only in tabular and graphic (illustrative) parts, with the exception of some generally accepted abbreviations (for example, “No.”, “%”, “JSC”, “kaz.”, “mln”, “bln”, “ave.”, “ref.”, “LLP”, “thou.”, “st.”), which can also be used in the text parts of the Central Securities Depository’s internal documents.

Specifically, the dates are written in the Code of Rules only in the format “DD month YYYY”, using two digits for the day, except for tabular and graphical (illustrative) parts where dates can be written in the format “DD.MM.YY” or “DD.MM.YYYY”.

2. An internal document of the Central Securities Depository included in the Code of Rules may contain verbal reservations introduced into circulation by a text such as “something (hereinafter, that)”, or “For the purposes of the Rules, this means that”, or “For the purposes of the Rules, this is called as that” (subject to particularity established by second subparagraph of this paragraph).

Verbal reservation is put into circulation if it is used more than two times in an internal document of the Central Securities Depository.

Chapter 4. MISCELLANEOUS

Article 13. Working and Operational Days of the Central Securities Depository

1. The Central Securities Depository has a five-day working week with Saturday and Sunday as off days.

The Central Securities Depository does not work on holidays and other days that are off days in accordance with the legislation of the Republic of Kazakhstan.

2. The operational day when the Central Securities Depository carries out its activities in accordance with the Code of Rules is determined by the internal document of the Central Securities Depository “Operating regulations” included in the Code of Rules.

Article 14. Payment for Services of the Central Securities Depository

1. The services provided by the Central Securities Depository to its clients on the financial market are charged to the clients of the Central Securities Depository.
2. While carrying out its activities on the financial market, the Central Securities Depository collects from its clients the tariffs and fees that differ from each other in the following:
 - 1) the Central Securities Depository tariffs are charged for provision of services by the Central Securities Depository;
 - 2) the Central Securities Depository fees are charged for financing and/or reimbursement of its direct costs incurred when the Central Securities Depository prepares and renders services.

3. The composition and rates of tariffs and fees charged by the Central Securities Depository during its activities on the financial market, the conditions and procedure for calculating and paying these tariffs and fees, including the timing of their payment, and liability for non-payment (untimely or incomplete payment) are defined by the internal document of the Central Securities Depository (Regulation on Tariffs and Fees) included in the Code of Rules.

Article 15. Final provisions

1. Issues which regulation procedure is not defined by this Introduction shall be resolved in accordance with the legislation of the Republic of Kazakhstan.
2. The Central Securities Depository must follow the provisions of the legislation of the Republic of Kazakhstan adopted after entry into force of this Introduction, regardless of how these provisions are reflected in this Introduction.

President

B. Kh. Kapyshev

Annex 1

to the Introduction to the Code of Rules of Central Securities Depository JSC

COMPOSITION OF THE CODE OF RULES

Note

In accordance with paragraph 2 of Article 1 of the Introduction to the Code of Rules of Central Securities Depository JSC, this Annex is subject to update with each change in composition of the Code of Rules and simultaneously with such change. Changes and/or additions to this annex do not require any formal decisions of the bodies and officers of the Central Securities Depository.

Item No.	Internal document title	Approved by		Agreed by ³		Date of entry into force
		Body ¹	Document ²	Body ⁴	Date of approval	
A	1	2	3	4	5	
1	Introduction to the Code of Rules of Central Securities Depository JSC	BD	Record of absentee voting No. 108 (з) dated 14.12.2018	X	X	01.01.2019
2	Rules for establishing, maintaining and terminating the business relations	BD	Record of absentee voting No. 104 (з) dated 11.12.2018	X	X	01.01.2019

**Code of Rules of Central Securities Depository JSC:
Introduction to the Code of Rules of Central Securities Depository JSC**

Item No.	Internal document title	Approved by		Agreed by ³		Date of entry into force
		Body ¹	Document ²	Body ⁴	Date of approval	
A	1	2	3	4	5	
3	Rules of registrar and depository activities (general part)	BD	Record of absentee voting No. 111 (з) dated 14.12.2018	X	X	01.01.2019
4	Rules of depository activities. Only article 1, chapters 5 and 6 apply	BD	Minutes of meeting No. 7 dated 10.08.2010	AFS	22.11.2010	05.09.2011
5	Rules for maintaining the system of registers (internal document of Integrated Securities Registrar JSC). Only paragraphs 1-1, 62-64, chapters 5 and 9, paragraph 2 of chapter 10, chapter 11 apply (except for paragraphs 191, 194 and 199)	BD	Minutes of meeting No. 1 dated 22.01.2015	NBK	09.02.2015	01.01.2019
6	Rules for servicing and repayment of state treasury obligations	EGSM	Record No. 2 dated 16.11.2006	AFS	04.09.2006	01.01.2007
7	Rules of depository and other activities in relation to municipal bonds	BD	Minutes of meeting No. 6 dated 16.07.2010	AFS	01.09.2010	17.09.2010
8	Rules for maintaining the system of registers of government security holders	BD	Minutes of meeting No. 13 dated 27.08.2012	CFS	06.12.2012	03.04.2013
9	Rules for maintaining the system of registers of holders of short-term notes of the National Bank of the Republic of Kazakhstan placed among individuals	BD	Minutes of meeting No. 22 dated 24.10.2017	X	X	20.12.2017

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Item No.	Internal document title	Approved by		Agreed by ³		Date of entry into force
		Body ¹	Document ²	Body ⁴	Date of approval	
A	1	2	3	4	5	
10	Rules of certain banking operations	BD	Record of absentee voting No. 110 (з) dated 14.12.2018	X	X	01.01.2019
11	Rules of services for performance of paying agent's functions	BD	Record of absentee voting No. 89 (з) dated 30.11.2018	X	X	01.01.2019
12	Rules of activities for maintaining the register of transactions with derivative financial instruments	BD	Record of absentee voting No. 93 (з) dated 30.11.2018	X	X	01.01.2019
13	Rules for assigning the identifiers	BD	Record of absentee voting No. 67 (з) dated 25.09.2018	X	X	15.10.2018
14	Rules of services for performance of counting commission's functions	BD	Record of absentee voting No. 83 (з) dated 16.11.2018	X	X	01.01.2019

**Code of Rules of Central Securities Depository JSC:
Introduction to the Code of Rules of Central Securities Depository JSC**

Item No.	Internal document title	Approved by		Agreed by ³		Date of entry into force
		Body ¹	Document ²	Body ⁴	Date of approval	
A	1	2	3	4	5	
15	Rules of services for performance of counting commission's functions (internal document of Integrated Securities Registrar JSC). Only article 1 and chapter 3 apply	BD	Minutes of meeting No. 1 dated 31.01.2017	X	X	01.01.2019
16	Rules of services for accounting of unclaimed money	BD	Record of absentee voting No. 44 (з) dated 14.06.2019	X	X	01.07.2019
17	Rules for accepting and issuing the operational documents	BD	Record of absentee voting No. 90 (з) dated 30.11.2018	X	X	01.01.2019
18	Operating regulations	BD	Record of absentee voting No. 105 (з) dated 12.12.2018	X	X	01.01.2019
19	Regulations on tariffs and fees	BD	Minutes of meeting No. 5 dated 29.07.2011	X	X	05.09.2011
20	Regulations on tariffs and fees (internal document of Integrated Securities Registrar JSC)	BD	Minutes of meeting No. 17 dated 06.10.2017 ⁵	X	X	01.01.2019

¹ Name of the body of the Central Securities Depository or Integrated Securities Registrar JSC that made the decision to approve the internal document.

² Name and details of the document containing the decision to approve the internal document.

³ An “X” indicates that approval of the internal document was not required.

⁴ Name of the state body or other body designated by the legislation of the Republic of Kazakhstan that approved the internal document.

Used Abbreviations

AFS	Agency of the Republic of Kazakhstan for Regulation and Supervision of Financial Market and Financial Organizations.
EGSM	extraordinary general meeting of shareholders of the Central Securities Depository.
AGSM	annual general meeting of shareholders of the Central Securities Depository.
CFS	Committee for the control and supervision of financial market and financial organizations of the National Bank of Kazakhstan.
NBK	National Bank of the Republic of Kazakhstan.
BD	Board of Directors of the Central Securities Depository.

Annex 2

to the Introduction to the Code of
Rules of Central Securities
Depository JSC

(This Annex was amended by the decision of the Board of Directors of the Central Securities Depository dated 09 July 2020).

GLOSSARY
of Definitions, Terms and Conventional (Abbreviated) Designations
Used in the Code of Rules

Notes to the glossary.

1. This glossary does not include generally known definitions and terms that are not difficult for reading, perception and understanding of the internal documents of the Central Securities Depository included in the Code of Rules (for example, “joint stock company”, “bank”, “bank account”, “currency”, “pledge”, “license”, “money transfer”, “write-off”, “crediting”, “legal entity”).
2. The definitions, terms, conventional (abbreviated) designations are listed in the glossary in alphabetical order: according to the Latin alphabet. If it is necessary to add a new definition, term, conventional (abbreviated) designation to the glossary, it is included in the glossary according to the alphabetical order.

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Definition, term, conventional (abbreviated) designation. Specifics of its use	Explanation
1	2
AIFC	Astana International Financial Center
Euroclear	Euroclear Bank SA/NV, Belgium (abbreviation of the name – EB; official website – www.euroclear.com), a legal entity of the Kingdom of Belgium with registered office at 1, Boulevard du Roi Albert II, B-1210 Brussels, Belgium, which is a clearance and settlement center in the group of the same name and acts as an international securities depository
CFI	the same as “CFI code”
Clearstream	Clearstream Banking, société anonyme, Luxembourg (abbreviation of the name – CBL; official website – www.clearstream.com), a legal entity of the Grand Duchy of Luxembourg with registered office at 42, avenue JF Kennedy, L-1855 Luxembourg, Luxembourg, which is a clearance and settlement organization within the Deutsche Börse group and acts as an international securities depository
FISN	the same as “FISN code”
IDR	the same as “IDR code”
ISIN	the same as “ISIN code”
KASE	Kazakhstan Stock Exchange JSC
SWIFT	Society for Worldwide Interbank Financial Telecommunication Société Coopérative à responsabilité Limitée (short name – S.W.I.F.T. SCRL; common abbreviation of the name and trademark (service mark) – S.W.I.F.T. or SWIFT; official website – www.swift.com), legal entity of the Kingdom of Belgium with registered office at 1, avenue Adèle, B-1310 La Hulpe, Belgium, which is the operator of the international system of the same name for exchange of standardized payment documents and other financial messages between banks and other financial institutions
S.W.I.F.T.	the same as “SWIFT”

**Code of Rules of Central Securities Depository JSC:
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Definition, term, conventional (abbreviated) designation. Specifics of its use	Explanation
1	2
authorized shares (in relation to shares issued in accordance with legislation of a country other than the Republic of Kazakhstan)	shares which issue is registered in accordance with legislation of the country of registration of the joint stock company that issued these shares as a legal entity
outstanding shares (in relation to shares issued in accordance with legislation of a country other than the Republic of Kazakhstan)	shares from the number of authorized shares sold on the primary securities market
joint-stock company (in relation to a foreign legal entity)	a legal entity recognized as a joint stock company in accordance with legislation of the country of its registration as a legal entity
share (in relation to securities issued in accordance with legislation of a country other than the Republic of Kazakhstan)	security issued by a joint-stock company in accordance with legislation of the country of registration of this joint-stock company as a legal entity and certifying the rights of this security holder to participate in management of this joint-stock company, to receive a dividend on it and part of this joint-stock company's property in case of its liquidation, as well as other rights provided by the specified legislation
preference share (in relation to securities issued in accordance with legislation of a country other than the Republic of Kazakhstan)	share that under normal circumstances does not give its holder the right to participate in management of the joint-stock company that issued it, but instead provides the preemptive right for the holder of this share over the owners of ordinary shares of this joint-stock company to receive dividend on this share in a predetermined guaranteed amount and to receive part of this joint-stock company's property in case of its liquidation
ordinary share (in relation to securities issued in accordance with legislation of a country other than the Republic of Kazakhstan)	share that provides unconditional right for the holder of this share to participate in management of the joint-stock company that issued it
broker (in relation to a foreign legal entity)	legal entity that in accordance with legislation of the country of its registration as a legal entity has the right to carry out brokerage activities on the financial market

**Code of Rules of Central Securities Depository JSC:
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Definition, term, conventional (abbreviated) designation. Specifics of its use	Explanation
1	2
brokerage activities (on the financial market)	activities with execution of transactions with securities and other admissible financial instruments on behalf, at the expense and in the interests of clients
secondary financial market	the same as "secondary securities market" (as this definition is defined by the law of the Republic of Kazakhstan On the Securities Market); sphere of circulation (including repurchase) and redemption of instruments
secondary financial market (of a country other than the Republic of Kazakhstan)	sphere of circulation (including repurchase) and redemption of instruments
repurchase of an instrument	purchase of an instrument by the issuer that issued it or by a broker acting on behalf, at the expense and in the interests of that issuer
closing date (in relation to a repo transaction)	the same as "repo closing date"
repo closing date	day of the repo closing transaction
opening date (in relation to a repo transaction)	the same as "repo opening date"
repo opening date	day of the repo opening transaction
business relations (between the Central Securities Depository and any person)	civil law relations between the Central Securities Depository and any person arising in connection with provision of the Central Securities Depository services to this person
depository (in relation to a foreign legal entity)	legal entity that in accordance with legislation of the country of its registration as a legal entity has the right to carry out depository activities
depository activities (in the foreign financial market)	activities of providing services of nominee holding of instruments for its clients and for other nominee holders, and of settling the transactions with these instruments
depository service (of the Central Securities Depository)	service provided by the Central Securities Depository as part of carrying out its depository activities

**Code of Rules of Central Securities Depository JSC:
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Definition, term, conventional (abbreviated) designation. Specifics of its use	Explanation
1	2
custody service (for someone or something by the Central Securities Depository or at the Central Securities Depository)	provision of depository services by the Central Securities Depository to someone or in relation to something
depositor	person with opened personal account of depositor in the Central Securities Depository’s accounting system in accordance with legislation of the Republic of Kazakhstan or an internal document of the Central Securities Depository
dealer (in relation to a foreign legal entity)	legal entity that in accordance with legislation of the country of its registration as a legal entity has the right to carry out dealer activities on the financial market
dealer activities (on the financial market)	activities with execution of transactions with securities and other admissible financial instruments at own expense and in own interests on the organized and unorganized financial markets with the right of direct access to it
depositing (of securities or other instruments)	making an entry in the accounting system of the Central Securities Depository, as a result of which the number of securities or other instruments on the personal account (subaccount, subaccount section) intended for accounting these securities (instruments) increases
bid (in relation to trading on the financial market)	bid to conclude a transaction submitted by any trading participant; announcement by any trader of intention to conclude a transaction on conditions of this announcement or on conditions under which the filing of this announcement is allowed
counterbid (in relation to an active bid for sale of instruments of any denomination)	bid to buy the instruments of this denomination
counterbid (in relation to an active bid to buy instruments of any denomination)	bid for sale of instruments of this denomination
active bid	a bid accepted by the auction organizer, not satisfied in full and not canceled by the trader who submitted this bid, or by the auction organizer

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identifier (of instruments of any denomination or of any legal entity)	special designation (for example, code or short name or identification number) assigned by the Central Securities Depository to instruments of any denomination or to any legal entity in accordance with the Code of Rules
name (of foreign individual)	name of natural person, which is indicated in the ID document of this person
name (of an individual as a citizen of the Republic of Kazakhstan)	name of natural person, which is indicated in the ID document of this person and includes the surname and name of this person, as well as patronymic, if desired, in accordance with paragraph 1 of Article 15 of the Civil Code of the Republic of Kazakhstan
investment portfolio (in relation to a foreign legal entity or to sets of assets created in accordance with legislation of a country other than the Republic of Kazakhstan)	set of instruments and other assets treated and managed as a single divisible whole
investment fund (in relation to a foreign legal entity or to sets of assets created in accordance with legislation of a country other than the Republic of Kazakhstan)	legal entity recognized as an investment fund in accordance with legislation of the country of its registration, or a set of assets recognized as an investment fund in accordance with foreign legislation, according to which this set was formed
foreign legal entity	legal entity that does not fall under definition of the “legal entity of the Republic of Kazakhstan”
instrument	any element from a closed set of private property, falling within definition of the term “name of instruments”
website of the Central Securities Depository	the website of the Central Securities Depository with the domain name www.kacd.kz
Information system of Central Securities Depository	software and hardware complex used by the Central Securities Depository for or in the process of any its activities
execution of application (by the Central Securities Depository)	execution by the Central Securities Depository of the requested actions according to the application

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execution of order (by the Central Securities Depository)	execution by the Central Securities Depository of the requested actions according to the order
custody activities (on the financial market)	activities of accounting or keeping financial instruments and money belonging to other persons, and of confirming the rights to these financial instruments and money, with assuming of obligations to safeguard these financial instruments and money
custodian (in relation to a foreign legal entity)	legal entity that has the right to carry out custody activities on the financial market in accordance with legislation of the country of its registration
card with specimens of signatures and seal impressions (of any legal entity)	document with certified (by a notary or in other way recognized by the Central Securities Depository) specimens of signatures of a legal entity representatives having the right to sign on its behalf the applying, executive and supporting documents, and seal (if any) impressions of a legal entity
KDR	Kazakhstan’s depository receipts
clearing servicing (for someone or something by the Central Securities Depository or at the Central Securities Depository)	provision of clearing services by the Central Securities Depository to someone or in relation to something
clearing service (of the Central Securities Depository)	service provided by the Central Securities Depository as part of its clearing activities in transactions with financial instruments
CFI code	international code of instruments, which structure and composition are defined by the international standard ISO 10962 Securities and Related Financial Instruments – Classification of Financial Instruments (CFI code)
FISN code	short name of instruments, the provisions on which structure and composition are defined by the international standard ISO 18774 Securities and Related Financial Instruments – Financial instrument short name (FISN)
IDR code	identifier of the rights of claim, which structure and composition are determined by an internal document approved by decision of the Management Board of the Central Securities Depository

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ISIN code	international identification number of instruments, the provisions on which structure and composition are defined by the international standard ISO 6166 Securities and Related Financial Instruments – International Securities Identification Numbering System (ISIN)
confidential information	attribute of information which presence necessitates protection of this information from disclosure during its receipt, storage, processing or transfer, and provision of access to this information only to a limited set of persons
corporate event (in relation to a foreign issuer)	event that has significant impact on the issuer’s activities and affects the interests of holders of securities and other financial instruments issued by the issuer
KISC	Republican State Enterprise based on the Right of Economic Management Kazakhstan Interbank Settlement Center of the National Bank of the Republic of Kazakhstan
personal area (of the Central Securities Depository)	the same as “Personal Area system”
international depository	Euroclear or Clearstream
MCI	monthly calculation index for calculating allowances and other social payments, and for applications of penalties, taxes and other payments in accordance with the legislation of the Republic of Kazakhstan, established by the law of the Republic of Kazakhstan on the republican budget for the relevant financial year
IMTS	interbank money transfer system (as defined by the law of the Republic of Kazakhstan On Payments and Money Transfers) which operational center is the KISC
municipal bonds	government issuable securities which issuer is the local executive body of the Republic of Kazakhstan
National Bank	National Bank of the Republic of Kazakhstan

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name of instruments	closed set of all private property (for example, securities, other financial instruments, rights of claim, shares in the authorized capital of limited liability partnership) of the same type, united by the same conditions of issue, placement, circulation and redemption (if this property is subject to redemption), and having attributes and details common to all this property, with none of this property having unique, individual attributes and details
unorganized financial market	the same as "unorganized securities market" (as defined by the law of the Republic of Kazakhstan "On the Securities Market"); financial market, the conditions and procedure for conclusion and execution of transactions on which are not regulated by internal documents of the auction organizer
unorganized financial market (of a country other than the Republic of Kazakhstan)	financial market, the conditions and procedure for conclusion and execution of transactions on which are not regulated by internal documents of the auction organizer
non-resident of the Republic of Kazakhstan	an entity recognized as non-resident in accordance with the law of the Republic of Kazakhstan On Currency Regulation and Currency Control
nominal value of unit (in relation to a foreign unit investment fund)	monetary value of a unit at the initial placement of units of a unit investment fund
nominee holding	the same as "nominee holding of instruments"
nominee holding of instruments	implementation of powers of possession, use and disposal of instruments for and on behalf of the owner of these instruments by a professional financial market participant who is not the owner of these instruments
nominee holder	the same as "nominee holder of instruments"
nominee holder of instruments (including in relation to a foreign legal entity)	professional financial market participant carrying out nominee holding of instruments
servicing bank (of the Central Securities Depository)	organization in which a cash account has been opened in the name of the Central Securities Depository, intended for accounting of money belonging to clients of the Central Securities Depository

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operational day (of the Central Securities Depository)	period of time within one working day during which the Central Securities Depository receipts operative instruments from its clients and issues operative instruments to its clients
operative instrument (of the Central Securities Depository)	one of the documents that the Central Securities Depository clients, including the auction organizers, provide to the Central Securities Depository during its activities on the financial market, or which the Central Securities Depository provides to its clients, including the auction organizers, when it carries out its activities
automatic repo transaction	repo transaction where opening and closing transaction are concluded exclusively on organized financial market using a trading method based on the anonymity of bids of trading participants and on the principle of unconditional and unreserved automatic fulfilling of a trading participant's bid at the expense of active bids of other trading participants that are counterbids to this bid, and the prices of which are the most favorable relative to the price in this bid
reverse repo transaction	repo transaction from the point of view of its participant being the repo buyer
direct repo transaction	repo transaction where opening and closing transactions are concluded on organized or unorganized financial market as a result of negotiations between two persons intending to carry out such transaction and them reaching agreement on conclusion of these transactions

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repo transaction	set of two simultaneously concluded buy and sale transactions of securities of any name (subject of repo transaction) differing in time of execution and opposite in direction to each other, the parties to which are the same two persons (participants of repo transaction): <ul style="list-style-type: none"> – repo opening transaction: buy and sale transaction with securities of given name, which implies transfer of money in the amount of this transaction from one participant of the repo transaction (from repo buyer) to second participant (to repo seller) and transfer of a certain amount of securities with given name from the second participant of the repo transaction (from repo seller) to the first participant (to repo buyer); – repo closing transaction; buy and sale transaction with securities of given name, which implies transfer of money in the amount of this transaction from second participant of the repo transaction (from repo seller) to first participant (to repo buyer) and transfer of the same amount of securities with given name as in the repo opening transaction from the first participant of the repo transaction (from repo buyer) to the second participant (to repo seller)
auction organizer (in relation to a foreign legal entity)	legal entity that provides organizational and technical support for trading of instruments
organized financial market	the same as "organized securities market" (as defined by the law of the Republic of Kazakhstan On the Securities Market); financial market, the conditions and procedure for conclusion and execution of transactions on which are regulated by internal documents of the auction organizer
organized financial market (of a country other than the Republic of Kazakhstan)	financial market, the conditions and procedure for conclusion and execution of transactions on which are regulated by internal documents of the auction organizer
sender (of securities or other instruments)	an entity that as a result of transaction or operation has an obligation to deliver securities or other instruments
reporting document (of the Central Securities Depository)	document of the Central Securities Depository intended for third-party use and containing information from its accounting system

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official tenge rate	official rate of the national currency of the Republic of Kazakhstan to foreign currency, established by the National Bank of the Republic of Kazakhstan
unit investment fund (in relation to a foreign investment fund)	a set of assets recognized by a unit investment fund in accordance with foreign legislation according to which this set was formed
unit (in relation to a foreign unit investment fund)	issuable security confirming the share of its owner in a unit investment fund, and the right of the owner of this security to receive part of the property upon dissolution of this fund
primary financial market	the same as "primary securities market" (as defined by the law of the Republic of Kazakhstan On the Securities Market); sphere of instrument placement
primary financial market (of a country other than the Republic of Kazakhstan)	sphere of instrument placement
chief executive officer (of legal entity)	an individual solely performing the functions of the executive body of a legal entity or being the head of a collegial executive body of a legal entity
transfer of instruments	a combination of writing off the instruments of any name in any quantity from any section of any personal account or subaccount and depositing the instruments of this name in the same quantity to another section of the same or another personal account or subaccount
repo buyer	repo transaction participant who buys the subject of repo transaction when making a repo opening transaction with obligation of its subsequent resale and sells it when making a repo closing transaction
receiver (of securities or other instruments)	an entity that as a result of transaction or operation has a claim to receive securities or other instruments
rights of claim	rights of claim under the issuer's obligations for the instruments issued by it, which circulation period has already expired, but for which the issuer has not fulfilled its obligations to redeem them

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subject of repo transaction	securities of any name, which are the subject of two simultaneously concluded buy and sale transactions, differing in time of execution, opposite in direction to each other and jointly representing a repo transaction
repo seller	repo transaction participant who sells the subject of repo transaction when making a repo opening transaction with obligation of its subsequent repurchase and buys it when making a repo closing transaction
professional participant of financial market	the same as “professional participant of the securities market” (as defined by the law of the Republic of Kazakhstan "On the Securities Market")
professional participant of financial market (of a country other than the Republic of Kazakhstan)	a legal entity for which the financial market is the main field of activities and operating on this market based on license or without it in accordance with applicable law
bid scope	scope of bid in natural terms (in units of measurement of instruments)
transaction scope	scope of transaction in natural terms (in units of measurement of instruments)
register of instrument holders (of any name)	a set of information (about the issuer of instruments of any name, about this name of instruments, about holders of instruments with this name) that provides identification of holders of rights for instruments with this name at a certain moment of time, registration of transactions with instruments with this name, and identification of the nature of registered restrictions on circulation or exercise of rights for instruments with this name and other information in accordance with applicable law
registrar servicing (for someone or something by the Central Securities Depository or at the Central Securities Depository)	provision by the Central Securities Depository of registrar services to someone or in relation to something
registrar activities	activities on maintaining a system of registers of security holders and registers of participants of limited liability partnerships
registrar service (of the Central Securities Depository)	service provided by the Central Securities Depository as part of carrying out its registrar activities

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resident of the Republic of Kazakhstan	an entity recognized as resident in accordance with the law of the Republic of Kazakhstan On Currency Regulation and Currency Control
failure (in relation to failures in work of the information systems of the Central Securities Depository)	the same as “technical failure”
closing transaction (in relation to a repo transaction)	the same as “repo closing transaction”
automatic repo closing transaction	repo closing transaction related to an automatic repo transaction
repo closing transaction	one of two buy and sale transactions with securities of any name, together constituting a repo transaction, which implies transfer of money in the amount of this transaction from one party (from repo seller) to the second party (to repo buyer) and transfer of the same amount of securities with this name as in the repo opening transaction from the second party of this transaction (from repo buyer) to the first party (to repo seller)
opening transaction (in relation to a repo transaction)	the same as “repo opening transaction”
automatic repo opening transaction	repo opening transaction related to an automatic repo transaction
repo opening transaction	one of two buy and sale transactions with securities of any name, together constituting a repo transaction, which implies transfer of money in the amount of this transaction from one party (from repo buyer) to the second party (to repo seller) and transfer of a certain amount of securities with this name from the second party of this transaction (from repo seller) to the first party (to repo buyer)
SWIFT system	international system for exchange of standardized payment documents and other financial messages between banks and other financial institutions, with SWIFT as its operator
S.W.I.F.T. system	the same as “SWIFT system”

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“Personal Area” system (of the Central Securities Depository)	information system of the Central Securities Depository designed for authorized remote access of the Central Securities Depository’s clients to its services via the Internet
write-off (of securities or other instruments)	making an entry in the accounting system of the Central Securities Depository or in the system of registers of security holders, as a result of which the number of securities or other instruments on the personal account (subaccount or subaccount section) intended for accounting of these securities (instruments) decreases
repo transaction period	the time interval measured in days between the repo closing and opening dates
bid amount	scope of bid in monetary terms
transaction amount	scope of transaction in monetary terms
technical failure (in work of the Central Securities Depository)	temporary inoperability of any information system of the Central Securities Depository or its separate component, and/or equipment of the Central Securities Depository, and/or software used by the Central Securities Depository, and/or communication channel used by the Central Securities Depository, which entails impossibility of proper implementation of any activities of the Central Securities Depository, for or during which implementation this system and/or this equipment and/or this software and/or this communication channel is used
trade servicing (for someone by the Central Securities Depository or at the Central Securities Depository)	provision of services by the Central Securities Depository as part of its activities on organizing the trading in securities and other financial instruments
trade repository	information system of the Central Securities Depository designed to maintain and keep the register of transactions with derivative financial instruments
authorized body	state body executing state regulation, control and supervision of the financial market and financial organizations
managing company (in relation to a foreign legal entity)	professional participant of the financial market carrying out activities of management of the investment portfolio constituting the assets of the investment fund

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participant of repo transaction	a person that is a party to two transactions that together constitute a repo transaction
accounting organization (of the Central Securities Depository)	an organization with which a nominee holding account has been opened in the name of the Central Securities Depository, intended for accounting of instruments held by the Central Securities Depository in nominee holding
financial market (of a country other than the Republic of Kazakhstan)	sphere of placement, circulation (including repurchase) and redemption of instruments
central depository (in relation to a foreign depository)	a depository recognized as the central depository in accordance with legislation of the country of its registration as a legal entity
issuer (in relation to a foreign legal entity)	a legal entity that issues or has issued the instruments of any name
legal entity of the Republic of Kazakhstan	a legal entity established in accordance with legislation of the Republic of Kazakhstan, located in the Republic of Kazakhstan