

# **ITS CSD Compliance Procedures**

## **1. Introduction**

1.2. This Compliance Procedure of the International Trading System Central Securities Depository Limited (hereinafter called the "ITS CSD") is developed in accordance with the requirements AIFC Framework Regulations, Rules and Regulations of the AFSA and has a purpose to maintain effective and transparent Complaints management procedures and prompt handling of Client's Complaints.

## **2. Definitions**

2.1. Client refers to any person for whom ITS CSD provides services according to the ITS CSD Business rules.

2.2. Complainant means any person, natural or legal, which is eligible for lodging a Complaint to the ITS CSD and who has already lodged a Complaint.

2.3. Complaint under this Procedure means a request of a financial service recipient regarding recovery or protection of their rights or interests.

2.4. Compliance Officer means a full-time employee who controls compliance of the settlement depository's activities with AFSA requirements, as well as compliance with the settlement depository's internal regulations.

## **3. Scope and purpose**

3.1. The purpose of the present Procedure is to describe the Complaints resolution process and procedure followed by the ITS CSD and to ensure that any Complaints received by the ITS CSD from any of its Clients are dealt with and resolved in a fair and timely manner. The ITS CSD shall treat all Complaints with confidentiality and shall take all reasonable steps to investigate and respond promptly to any Complaints.

3.2. The present Procedure applies to Complaints received from the ITS CSD's Clients or potential Clients with respect to one or more of the Investment Services and Activities that the ITS CSD is authorized to provide.

## **4. General principles**

4.1. As part of its commitment to provide the best possible services to its Clients, the ITS CSD upholds effective and transparent procedures for prompt Complaint handling for Clients.

4.2. The ITS CSD has established a Complaints management function responsible for the investigation of Complaints which is carried out by the Compliance Officer.

4.3. When handling a Complaint, the ITS CSD communicates with Clients clearly, in plain language that is easy to understand and tries to reply to the Complaint without undue delay. Some Complaints can be resolved more quickly depending on the facts and the nature of the Complaint. In case of a more complex Complaint that needs more time to be resolved, the ITS CSD shall communicate to the Client the reasons for the delay along with a new deadline.

4.4. The ITS CSD maintain effective and transparent procedures for the reasonable and prompt handling of Complaints received from Clients and keep records of each Complaint and the measures taken for the Complaint's resolution. Such procedures and records are the responsibility of the Compliance Officer.

## **5. Complaints handling process**

### **5.1. Lodging a Complaint**

5.1.1. If a Complainant has any objection concerning the provision of services, it is encouraged to submit a Complaint at [complaint@itsx.kz](mailto:complaint@itsx.kz) with the subject of e-mail «Client Complaint».

5.1.2. In case a staff member needs to complain or report an incident, this will be communicated to the Compliance Officer, who, according to the nature of the grievant will decide on further

steps and the persons within the organization that need to be notified, as well as any measures to be taken.

5.1.5. In case of absence of the relevant Customer Support Officer (e.g., in a case of illness, annual leave, training, etc.), the CEO shall assign his/her duties to a full-time employee(s). During the temporary absence of the Compliance Officer, the exclusive functions of such staff employee(s) shall include those performed by the Compliance Officer. In order to avoid conflicts of interest, an employee appointed as a temporary acting Compliance Officer may also perform administrative functions not related to professional activities on the securities market.

## **5.2. Procedure and time limits for consideration of Complaints**

5.2.1. All incoming Complaints, including applications and Complaints related to the activities of the ITS CSD shall be registered in the general register of incoming documents of the ITS CSD and forwarded to the Compliance Officer for consideration.

5.2.2. Within seven (7) working days the ITS CSD confirms the fact of receipt of the Complaint in writing, provides the Client with contact details of the person responsible for consideration of the Complaint, detailed information on the procedures for consideration of Complaints.

5.2.3. Complaints that do not contain information on the name (surname) and/or location (address) of the Client shall be recognised as anonymous and shall not be considered, except for cases when the Client is (was) a Client - a natural person and was assigned an identification code to which the Client refers in the Complaint (if the signature of the Client is present in the Complaint).

5.2.4. If resolution of the issues set forth in the Complaint is not within the competence of the ITS CSD, the Compliance Officer shall, during 7 (seven) working days from the date of receipt of the Complaint, request the Client's written consent to forward such Complaint to the appropriate authority. If the ITS CSD receives consent from the Client, the ITS CSD shall forward the Complaint to the appropriate authority, notifying the Client in writing.

5.2.5. The Compliance Officer shall consider and prepare a response to each submitted Complaint within a period not exceeding thirty (30) working days from the date of its receipt by the ITS CSD, unless other deadlines are established by regulatory legal acts.

5.2.6. When considering Complaints, the Compliance Officer shall take note of all the information contained therein and shall take all necessary measures to eliminate the causes and circumstances giving rise to Complaints from Clients. Based on results of consideration of each Complaint, Compliance Officer prepares written response to the Client.

5.2.7. If the Client's Complaint does not contain sufficient information to identify the cause of the Complaint against the ITS CSD, the Compliance Officer shall indicate this circumstance in the response. The ITS CSD shall be entitled to request additional documents and information from the Client when considering Complaint, in which case the term of consideration of the Complaint shall be extended by the term of provision of documents, simultaneously notifying the Client thereof in writing.

5.2.8. A written response to the Client on the results of consideration of the Complaint should contain a substantiated (with reference to the relevant requirements of AFSA, internal regulations, agreements relevant to the issue under consideration, as well as the factual circumstances of the issue under consideration) response to each argument stated by the Client

5.2.9. The response to the Complaint shall be signed by the CEO.

5.2.10. Complaints can be left without consideration, if repeated Complaint do not contain new information, and all arguments stated in them were previously fully and objectively considered, and the Client was provided with a response. At the same time, the Client is provided with a notification that the Complaint is left without consideration, and a link to the previously given response.

5.2.11. Upon completion of the investigation of Complaint, the ITS CSD shall:

- notify the Client of the result of the review;
- provide reimbursement to the Client, if applicable;
- in case the Client is not satisfied with the result of consideration of the Complaint, the ITS CSD shall inform the Client about other ways to resolve the Complaint (AFSA court) and provide relevant contact details upon the Client's request.

5.2.12. If claims for damages have been made in the Complaint, such claims are justified and ITS CSD agrees with such claims, ITS CSD shall inform the complainant of its agreement with the claims in its response to the Complaint and take measures to compensate for such damages.

In case the Complaint made claims for compensation of losses, these claims are not justified or are justified, but ITS CSD does not agree with such claims, ITS CSD shall state ITS CSD's position on this issue in the response to the Complaint. Also in this case, the response to the Complaint shall include provisions that if the Complainant is not satisfied with the redress offered by the ITS CSD/response of the ITS CSD, the Complainant has the right to contact other competent authorities and shall include information on other means of resolving the Complaint. The ITS CSD will provide relevant contact details on separate request.

If a request is received from a person who has submitted a Complaint to the ITS CSD for a copy of this Regulation, such copy shall be provided without charge to the person who requested it.

If necessary, the ITS CSD shall inform the Complainant of the progress of the Complaint, if required by law or if such a request is made in the text of the Complaint.

5.2.13. The ITS CSD shall keep records and storage of all Complaints, name/name of the Client, subject of the Complaint and responses thereto for at least 6 years from the date of receipt.

5.2.14. In the course of audits of the Compliance Officer's activities, the Internal Audit Service shall vaperify the procedure for handling Complaints, the correctness and completeness of responses to Complaints.

### **5.3. Appeal**

5.3.1. A Complainant may use the following authorities to file an appeal against a final decision or in cases of a delay of a final decision: Astana Financial Services Authority (AFSA) at <https://afsa.aifc.kz/submit-your-complaint/>.

## **6. Procedure review**

6.1. The present Procedure shall be reviewed annually to confirm its effectiveness and include any enhancements.