



# **ITS Central Securities Depository Procedures**

## Contents

Interpretation .....	3
ITS CSD Procedures .....	3
<b>Section 1: General Provisions.....</b>	<b>3</b>
<b>Procedure for Rule 1.2 - Reports and statements.....</b>	<b>3</b>
<b>Procedures for Rule 1.15 and 1.19 – Notice Procedure.....</b>	<b>3</b>
<b>Section 2: Clients .....</b>	<b>4</b>
<b>Procedures for Rule 2.3.1 - Application Procedure .....</b>	<b>4</b>
<b>Procedures for Rule 2.5.1 (f) – Procedures for record keeping.....</b>	<b>4</b>
<b>Section 3: Depository Accounts.....</b>	<b>5</b>
<b>Procedures for Rule 3.1.2 –Account types .....</b>	<b>5</b>
<b>Procedures for Rule 3.1.2 - Account opening .....</b>	<b>5</b>
<b>Procedures for Rule 3.1.2 - Account maintenance .....</b>	<b>6</b>
<b>Procedures for Rule 3.4.1 - Account Closing.....</b>	<b>6</b>
<b>Procedures for Rule 3.5.1 – Account Modification .....</b>	<b>6</b>
<b>Procedures for Rule 38.1 - Withdrawing of Securities.....</b>	<b>7</b>
<b>Section 4: Depository Transactions Procedures for Rule 4.1.1 .....</b>	<b>7</b>
<b>Procedures for Rule 4.1.1 – Manner and timing for initiating Depository Instructions.....</b>	<b>7</b>
<b>Procedures for Rule 4.1.2 – Terms and conditions for transfer of Securities with FOP Instruction .....</b>	<b>7</b>
<b>Procedures for Rule 4.1.4 – Withdrawal of Instructions.....</b>	<b>7</b>
<b>Procedures for Rule 4.3.3 – Points after which cancelations are not allowed .....</b>	<b>8</b>
<b>Section 5: Depository Powers.....</b>	<b>8</b>
<b>Procedures for Rule 5.1.1 – Application for admitting Security.....</b>	<b>8</b>
<b>Procedures for Rule 5.1.1 – Admitted Securities .....</b>	<b>8</b>
<b>Procedures for Rule 5.1.4.....</b>	<b>8</b>
<b>Procedures for Rule 5.5.1 – Procedure and practice in relation to consideration of an application for ruling or waiver .....</b>	<b>8</b>
<b>Procedures for Rule 5.5.1 – Timing of the application for ruling or waiver.....</b>	<b>9</b>
<b>Procedures for Rule 5.5.1 – Review of the application for ruling or waiver.....</b>	<b>9</b>
<b>Procedures for Rule 5.5.1 – Fees for application of ruling or waiver.....</b>	<b>9</b>
<b>Procedures for Rule 5.5.1 – Publication of ruling or waiver.....</b>	<b>9</b>
<b>Procedures for Rule 5.6.4 – Procedure for the working days and hours of ITS CSD .....</b>	<b>9</b>
<b>Procedures for Rule 5.6.5 – Fees, levies and other charges.....</b>	<b>10</b>
<b>Procedures for Rule 5.6.5 – Waiver and Ruling Fee .....</b>	<b>10</b>
<b>ATTACHMENT 1 – ITS CSD FORMS .....</b>	<b>10</b>

## Interpretation

Definitions incorporated by reference: Terms defined in the ITS CSD Business Rules of the ITS Central Securities Depository Limited have the same meaning when used in these Procedures, unless expressly stated or the context requires otherwise.

The referred time and periods of time, timing for Notices or others in these Procedures shall be calculated according to the local time of Astana.

### ITS CSD Procedures

#### Section 1: General Provisions

##### Procedure for Rule 1.2 - Reports and statements

###### *Securities Account Statement (CSD-SAS)*

1. Securities **Account** Statement shall be provided as of the certain date.
  2. The Securities **Account** Statement can be:
    - (a) for all Securities on the Securities **Account**;
    - (b) for one or more issues of Securities.
  3. Securities **Account** Statement shall be provided on the basis of:
    - (a) **Instruction** from the **Client** or **Instruction** given by a liquidator, receiver, statutory manager or other Person the **ITS CSD** reasonably believes has lawful authority to act in the name of, or on behalf of, that **Client**.
    - (b) Requests from government, competent authority or any court or tribunal, and any other causes in compliance with the **AIFC**'s Framework Regulations.
- The statement provided via the **EDMS** no later than 11:30 Astana time on the **Business Day** following the operating day at the end of which the statement is provided.

###### *Account Transaction Report (CSD-ATR)*

4. **Account Transaction** Statement shall be provided after execution of **Client's Instruction**.
5. **Account Transaction** Statement shall be provided after:
  - (a) Carrying out one or more **Transactions** on the **Account**;
  - (b) **Instruction** from the **Client**;
  - (c) Requests from government, competent authority or any court or tribunal, and any other causes in compliance with the **AIFC**'s Framework Regulations.
6. The report provided via the **EDMS** no later than the **Business Day** of the **Transaction**, Astana time.
7. The statements and reports issued by the Depository shall be considered received by the **Client** upon their upload into the **EDMS**.
8. In exceptional cases, if **EDMS** service is not available, due to various reasons including technical, **Client** shall Notify **ITS CSD** of the non-availability of the **EDMS** service and use alternative way to exchange files by use of public or enterprise secure email service, recommended by **ITS CSD**. The **Client** shall refer to **ITS CSD** for **Instructions** on the alternative way of exchanging files.

##### Procedures for Rule 1.15 and 1.19 – Notice Procedure

1. A reference to Notifying a Person or giving a Person **Notice** includes a reference to:
  - (a) giving **Notice** of those matters to the Person; or
  - (b) transmitting a message containing those matters to the Person.
2. A message that is transmitted by **ITS CSD** or a **Client** will be deemed to be received when the message is made available for collection in the **Depository** facility for passing messages between **ITS CSD** and **Clients**.
3. If any Rule or Procedure requires or permits giving of **Notice** of matters to a Person, the Rule or Procedure requires or permits the giving to that Person of a written document containing those matters.
4. The **ITS CSD** may give **Notice** to any Person by any of the following methods:
  - (a) (if to a natural Person) by delivering it to the Person Personally;
  - (b) leaving it at or by sending it by courier or post to the address of the recipient last notified to the **ITS CSD**;
  - (c) sending it by facsimile to the recipient's facsimile number last notified to the **ITS CSD**;
  - (d) where the **Notice** is a circular or bulletin addressed to a class of Persons, delivering or communicating the circular or bulletin by any means permitted under this Procedure;
  - (e) where applicable, by sending it via **EDMS** and/or any alternative way to exchange files agreed with **ITS CSD**;
  - (f) where applicable, by communicating it via the **EDMS**;
  - (g) by making it publicly available on www.itsx.kz;

(j) any other manner permitted by **Law**.

5. A **Client** may give **Notice** to the **ITS CSD** by any of the following methods:

(a) as regulated in the Rule 4.6;

(b) delivering it to the CEO of **ITS CSD** Personally;

(c) leaving it at or by sending it by courier or post to: 010016, Kazakhstan, Astana, Esil district, Dostyk street, 16, office 2;

(d) sending it via **EDMS** and/or any alternative way to exchange files agreed with **ITS CSD**;

6. Where **Notice** is given in accordance with this Procedure:

(a) courier and Personal delivery is taken to be received at the time of delivery;

(b) facsimile is taken to be received when the sender's facsimile machine indicates a successful transmission to the facsimile number;

(c) email is taken to be given as the email enters the recipient's information system, unless a **Notice** of non-delivery or redirection has been received by the sender;

(d) when posted on [www.itsx.kz](http://www.itsx.kz);

(e) when transmitted via the **EDMS** and/or any alternative way to exchange files agreed with **ITS CSD**, where the reference to the transmission day and time may be obtained.

7. A **Notice** given in accordance with this Procedure is deemed to be received by that Person at the time it is taken to be given to that Person.

8. Any **Notice** to be given by a **Client** to the **ITS CSD** under Rule 2.6 must be given to the CEO of **ITS CSD** by **EDMS**

9. A **Client** must acquire and maintain an operating e-mail system for the purposes of delivering and receiving **Notices** to/by **ITS CSD** and technology environment to communicate **Notices** by **EDMS**.

10. Any **Notice** to be given by a **Client** to the **ITS CSD** under this Procedures requested to be delivered by **EDMS** must be delivered by **EDMS** only. In exceptional cases, if primary **EDMS** service is not available, due to various reasons including technical, **Client** shall Notify **ITS CSD** of the non-availability of the **EDMS** service and use alternative way to exchange files by use of public or enterprise secure email service, recommended by **ITS CSD**. The **Client** shall refer to **ITS CSD** for **Instructions** on the alternative way of exchanging files.

## Section 2: Clients

### Procedures for Rule 2.3.1 - Application Procedure

1. A Person applying for providing services by the **Depository** must complete and deliver to the **ITS CSD** by **EDMS** an application form **CSD-AAF**, together with:(a) the documents requested by **ITS CSD** as stated in the **CSD-RD** Form;

(b) details of any legal or arbitration proceedings active, threatened or pending against the **Applicant** or any member of its group which may have a significant effect on the reputation of the **Applicant**;

(c) details of any adverse or potentially adverse matters in respect of the **Applicant** which have been brought to the attention of any relevant regulatory authorities during the last 6 years (where possible please provide copies of any relevant correspondence in relation to such matters); and

(d) any other information which the **Applicant** thinks may be relevant to the **ITS CSD** when considering the application.

2. The **ITS CSD** may require additional information in relation to an application or any of the information or supporting documentation filed in support of the application.

3. An **Applicant** must submit information in typed format, in as much detail as the **Applicant** thinks appropriate to support the application.

4. Every document required to be provided to **ITS CSD** must be in the English language or, if not in English, and if so required by **ITS CSD**, be accompanied by a certified English translation and, in such case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

5. The **ITS CSD** will keep confidential all information provided to it by the **Applicant** in relation to its application, unless regulated differently in **Law** or in the **Depository Agreement**.

6. An application for providing services by the **Depository** must be in the form, and include the confirmations determined by the **ITS CSD** from time to time. An **Applicant** should request the **CSD-AAF** form from the **ITS CSD**.

### Procedures for Rule 2.5.1 (f) – Procedures for record keeping

1. Each **Client** must maintain **Accounting** and other records containing complete and accurate records and explanations of the affairs and **Transactions** of its **Business**. The books, records and explanations must be:

- (a) kept separate and distinct so as to distinguish the books, explanations and records for its **Business** related to the **Depository** from the books, explanations and other records of any other **Business** in which the **Client** may be involved;
  - (b) sufficient to comply with the requirements of the **Law** governing the maintenance of records;
  - (c) otherwise in the form and with the content prescribed by Procedures; and
  - (d) be retained for a period of 6 years following the end of the financial year to which they relate.
2. The requirements of this Procedure are not exhaustive, and it is the obligation of each **Client** to ensure that the records and reports maintained are sufficient having regard to the nature of the **Client's Business**. The detailed requirements of this obligation may vary according to, amongst other things:
- (a) the manner in which the **Business** of each **Client** is structured, organized and managed;
  - (b) the size of the **Business** of each **Client**; and
  - (c) the nature, volume and complexity of the **Transactions** and commitments of each **Client**.
- The minimum content and frequency of the financial reports of any **Client** is set to be equal to what is regulated as requirement in Section 3 of **AIFC Market Rules**.
3. The financial records must be made as soon as practicable after the events to which they relate.
4. All records and reports, which a **Client** is required to maintain under this Procedure must be kept in writing and in the English language or in a manner which will enable them to be readily accessible by the **ITS CSD** and readily converted into writing in the English language at the cost of the **Client**. The **ITS CSD** may direct a **Client** to convert records into writing and into English as is required in the Procedure for the Rule 2.3.1. That direction must be complied with by the time specified by the **ITS CSD** when giving the direction.
5. The location at which the records and reports required by this Procedure are kept must be notified to the **ITS CSD**.

### Section 3: Depository Accounts

#### Procedures for Rule 3.1.2 –Account types

1. **ITS CSD** can open the following **Accounts** for the **Client**:

- House **Account** is the **Account** where the **Clients** proprietary holdings of Securities are recorded.
- Omnibus **Account** is opened in the name of a **Client** for the **Account** of his multiple **Clients**. The identity of **Clients** of the **Client** is not presented in the **Depository**. The owner of Securities is the **Client** (or **Client** of a **Client**) and those Securities are segregated from the assets of the **Client**. The **Client** is liable for the accuracy and completeness of data required for the purpose of identification of **Clients** whose Securities are on Omnibus **Account**.

House **Account** and Omnibus **Account** may be specified as a **Trading Account**.

The **ITS CSD** automatically initiates the opening of the following **Account** section types to facilitate the seamless maintenance of Depository **Accounting**:

- **Trading Account** Section: This section serves the purpose of recording Securities that may be utilized for executing and/or securing obligations admitted to clearing.
- Blocked for Withdrawal of Securities Section: This section is designated for the recording of Securities pending the completion of withdrawal operations from the **Trading Account** of the **Depository**. **Clients**, along with **ITS CCP**, are prohibited from issuing **Transaction Instructions** within this section.
- Blocked for **Corporate Action** Section: This section is allocated for the recording of Securities undergoing specific **Corporate Actions**. **Clients**, along with **ITS CCP**, are barred from issuing **Transaction Instructions** within this section.
- Other sections to be opened on an as-needed basis by **ITS CSD**.

#### Procedures for Rule 3.1.2 - Account opening

1. **ITS CSD** can open the following Securities **Accounts** for the **Client**:

- House **Account**,
- Omnibus **Accounts**

2. The **Client** submits the **CSD-CAOR** Form for opening of the above stated **Accounts**. The **ITS CSD** may issue **Notice** further specifying the Procedure of opening and using **Accounts**.

3. **Accounts** for the **Client** can be created by **ITS CSD** either individually for a **Client** or with bulk upload of **Accounts**. Requests for additional **Accounts** must be made by submitting an **Account** opening request in a form prescribed by **ITS CSD** from time to time.

4. **Client** shall, before entering into any agreement with or opening any **Account** or while acting upon the **Instruction** of its **Client**:

- make such inquiries as may be necessary and exercise due care and caution in ascertaining the genuineness of the intending **Client** by carrying out appropriate Know Your Customer due diligence;

- scrutinize and ascertain the authenticity of the documents produced/presented by the **Client** for opening the **Account**.

5. To open an **Accounts**, a **Client** shall: (i) fill in a **CSD-CAOR** Form and send the Form to **ITS CSD** via **EDMS**, or (ii) send data in electronic form via a channel specified by **ITS CSD** in a **Notice**. After **ITS CSD** has been satisfied that the data transferred to it is full and accurate, **ITS CSD** will, within 2 (two) **Business Days**, open an **Account** for the **Client** on the basis of the data provided by the **Client** and confirm the **Account** opening to the **Client** in **Account** Opening/Closing/Modification Report (**CSD-AOCR**). The **Client** is fully responsible for the completeness and accuracy of the data provided by it to **ITS CSD** in respect of the **Client**. In case **ITS CSD** rejects opening the requested **Account** in the **Depository**, **ITS CSD** will notify the **Client** of such rejection within 2 (two) **Business Days** from the day of the receipt of the request.

6. **ITS CSD** can request KYC documentation and perform due diligence check at any stage of the **Account** opening process, as **ITS CSD** deems necessary. The **Client** may provide to **ITS CSD** request for **Account** opening only of Persons for whom the **Client** has completed satisfactory KYC Procedure and has accepted them as its **Clients**.

6. **Trading Account** may be opened/closed/modified only by **Instruction** provided by **ITS CCP**.

#### **Procedures for Rule 3.1.2 - Account maintenance**

1. The **Client** is obliged to use the **Account** according to the intended purpose of the **Account** type.

2. The **Accounts** are maintained by **ITS CSD**. If for whatever reason an **Account** needs editing on the **Clients Client** data recorded on the **Account**, the **Client** may send request to **ITS CSD** requesting changes on the data recorded on an **Account** by using the same form as the **Account** opening form for the respective **Account** and indicating the requested changing data.

3. The **Client** can use the **Accounts** in accordance with the **Law** and the level of the services the **Client** can provide to its **Clients** or when acting as principal, which must be aligned with the licenses that the **Client** holds in any relevant jurisdiction and the **Client** must not at any time take actions that the **Client** is not licensed or authorised for.

5. **ITS CSD** can request KYC documentation and perform due diligence check on the **Clients** of a **Client** at any time after the **Account** opening process, as **ITS CSD** deems necessary.

#### **Procedures for Rule 3.4.1 - Account Closing**

1. Requests for closing of an **Account** must be made to **ITS CSD** by submitting an **Account** closure request.

2. The following conditions must be satisfied before **ITS CSD** take action upon a request for **Account** closure:

(a) the balances in the **Account** must be zero; and

(b) there must be no outstanding **Instructions** in respect of the **Account**, including pending **Corporate Actions** and Settlement **Instructions**.

3. **Trading Accounts** may be opened/closed/modified only by **Instruction** provided by **ITS CCP**.

#### **Procedures for Rule 3.5.1 – Account Modification**

1. Request for modification of an **Account** must be made to **ITS CSD** by submitting an **Account** modification request to **ITS CCP**.

2. The following conditions must be satisfied before **ITS CSD** take action upon a request for **Account** modification:

(a) **ITS CCP** provided **ITS CSD** confirmation that **Trading Account** can be modified.

3. After modification **ITS CSD** providing **Client** an **Account** Opening/Closing/Modification Report (**CSD-AOCR**).

4. After modification, the **Trading Account** will be considered as a **Client Account**.

#### **Procedures for Rule 3.6.1 - Acceptance of Securities**

1. A **Client** may request Acceptance of Securities into an **Account** in that **Client's** name by:

(a) giving **Notice** of a Securities Acceptance Request to **ITS CSD** in the **CSD-SET** Form Notified by **ITS CSD** specifying:

(i) the ISIN of the Securities and the quantity of Securities being Accepted;

(ii) the date of the proposed transfer;

(iii) the details of the **Account** into which the Securities is to be Accepted; and

(iv) other details as specified in **CSD-SET** Form, and

2. When **ITS CSD** receives confirmation that the **Admitted Securities** have been transferred into the name of Nominee at the relevant Securities Register for the **Admitted Securities**, **ITS CSD** will credit the **Admitted Securities** to the **Account** of the **Client** specified in the **Instruction**.

3. Upon successful completion of the Acceptance, the **Client** will be notified that the status of the Acceptance **Transaction** is complete.
4. Where the Acceptance is unsuccessful, all or in part, the **Client** will be notified that the status of the Acceptance **Transaction** is incomplete or failed.

#### **Procedures for Rule 38.1 - Withdrawing of Securities**

1. A **Client** may request **Withdrawing of Securities** from an **Account** in its name by:
  - (a) giving **Notice** of a Securities Withdrawing Request to **ITS CSD** in the **CSD-SET Form** Notified by **ITS CSD** specifying:
    - (i) the ISIN of the Securities and the quantity of Securities being Withdrawn;
    - (ii) the date of the proposed transfer;
    - (iii) the details of the **Account** from which the Securities is to be Withdrawn;
    - (iv) other details as specified in **CSD-SET Form**, and
2. Prior to any such request being actioned, **ITS CSD** must be satisfied that there is sufficient Securities available in the specified **Account** to fulfill the Securities Withdrawing Request.
3. Upon successful completion of the Securities Withdrawing Request, the **Client** will be notified that the status of the Withdrawing **Transaction** is complete.
4. Where the Securities Withdrawing Request is unsuccessful, all or in part, the **Client** will be notified that the status of the Withdrawing **Transaction** is incomplete or failed.

#### **Section 4: Depository Transactions Procedures for Rule 4.1.1**

##### **Procedures for Rule 4.1.1 – Manner and timing for initiating Depository Instructions**

1. **Depository Instructions** are submitted to **ITS CSD** via **EDMS**.
2. An **Instruction** must be given by a **Client** by Notifying **ITS CSD** and requesting processing of an **Instruction**, where for a **FOP Instruction**, the **Instruction** is either Receive Free or Deliver Free.
3. **FOP Instructions** may be given and processed during the following time: any **Business Day** between 09:00 am and 05:00 pm.

##### **Procedures for Rule 4.1.2 – Terms and conditions for transfer of Securities with FOP Instruction**

1. **ITS CSD** process **FOP Instructions** [as defined in 4 (a) of the Procedure for the Rule 4.1.1] between Securities **Accounts** maintained by that **Client**. **FOP Instruction** within the **Accounts** of one **Client** is executed during **Business Day** upon the **Instruction** is received by **ITS CSD**.
2. For FOP transfers of Securities between Securities **Accounts** maintained by two **Clients**, the **Clients** must send **FOP Instruction** to **ITS CSD** by submitting **CSD-IST Form** via **EDMS**. **ITS CSD** will execute the **FOP Instruction** in accordance with the Rule 4.1.3. **FOP Instruction** between Securities **Accounts** maintained by two **Clients** may be edited by the **Client** by submitting a new **CSD-IST Form** via **EDMS** and revoking the previously submitted **CSD-IST Form**, and **ITS CSD** shall execute it accordingly provided that the initial **FOP Instruction** was not executed by the **ITS CSD**. If **ITS CSD** already executed the initial **FOP Instruction**, the **ITS CSD** will Notify the **Client** and will not take further actions regarding the requested editing of the **Instruction** and the respective revoking. **ITS CSD** may issue **Notice** further specifying the conditions for **FOP Instruction** for transfers, including the appropriate response time by **ITS CSD** for processing of the **FOP Instruction**.
3. **ITS CSD** after reviewing the **Client's Instruction** to Withdraw Securities, may request the following documents from the **Client**:
  - an **Instruction** to Withdraw Securities in paper form, if the **Instruction** was submitted by the **Client** in another way;
  - any documents at the discretion of the **ITS CSD** relating to the ongoing Withdrawing, financial situation, activities of the **Client** and its counterparty.

The deadline for execution by the **ITS CSD** of the **Client's Instruction** to Withdraw Securities is extended by the time of consideration of the documents submitted by the **Client**, while the **ITS CSD** has the right to request any additional documents relating to the **Transaction**, the financial position, activities of the **Client** and its counterparty any number of times.

##### **Procedures for Rule 4.1.4 – Withdrawal of Instructions**

1. **FOP Instruction** in respect to a transfer of Securities within the **Accounts** of one **Client** may be withdrawn by the **Client** at any time prior to the Settlement.
2. **FOP Instruction** in respect to a transfer of Securities from an **Account** of one **Client** to an **Account** of another **Client** may be withdrawn by the **Client** sending the **Instruction**, by sending duly filled and signed withdrawal via **EDMS** at latest on the day prior to the Settlement Day. Any withdrawal of **FOP Instruction** in respect to a transfer of Securities from an **Account** of one **Client** to an **Account** of another **Client** received by **ITS CSD** on the Settlement Day may be executed by **ITS CSD** at a risk for the **Client** only if

the **Instruction** was not already executed by **ITS CSD** or the withdrawal was received by **ITS CSD** through **EDMS** in a reasonable time prior to the Settlement of the **FOP Instruction**.

#### **Procedures for Rule 4.3.3 – Points after which cancelations are not allowed**

1. **FOP Instruction** in respect to a transfer of Securities within the **Accounts** of one **Client** may be canceled by the **Client** at any time prior to the Settlement.
2. **FOP Instruction** in respect to a transfer of Securities from an **Account** of one **Client** to an **Account** of another **Client** may be canceled by the **Client** sending the **Instruction**, by sending duly filled and signed cancelation via **EDMS** at latest on the day prior to the Settlement Day. Any cancelation of **FOP Instruction** in respect to a transfer of Securities from an **Account** of one **Client** to an **Account** of another **Client** received by **ITS CSD** on the Settlement Day may be executed by **ITS CSD** at a risk for the **Client** only if the **Instruction** was not already executed by **ITS CSD** or the cancellation was received by **ITS CSD** via **EDMS** in a reasonable time prior to the Settlement of the **FOP Instruction**.

### **Section 5: Depository Powers**

#### **Procedures for Rule 5.1.1 – Application for admitting Securities**

1. An application for approval of a class of Security must be made in writing in such form as the **ITS CSD** may request, and shall include:
  - (a) name and description of the Security, including its ISIN, CFI, FISN and a copy of the document that prescribes the terms of the Security and, if applicable, any offer document issued in relation to the Security;
  - (b) description of the market on which it is traded, including a copy of the Rules of any market on which it is traded;
  - (c) details of the Securities Register maintained for the Security and arrangements for transfer of holdings on that register to the **Depository**; and
  - (d) details of the agreement and other arrangements for the transmission of information from the Securities Register to the **Depository**.

#### **Procedures for Rule 5.1.1 – Admitted Securities**

1. The following classes of Securities are Admitted:
  - all Securities approved for listing on the ITS
2. The following classes of Securities can be approved for admission to the **Depository** upon **Client's** request (Freeform letter) submitted to the **Depository** via **EDMS** and/or any alternative way of the file exchange as agreed with the **Depository**, if such Securities:
  - are admitted to trading on a Regulated Exchange (as defined in the **AIFC** Glossary);
  - are eligible for electronic Settlement at the **Depository** in accordance with the Rules and these Procedures;
  - are not subject to any Sanctions laws, regulations, embargoes or restrictive measures enforced by the United Nations Security Council, the European Union, the United Kingdom and the US including those administered by the United States Office of Foreign Assets **Control** (OFAC); and
  - meet general requirements for Admitted Products under the Rules and these Procedures

#### **Procedures for Rule 5.1.4**

Procedures for Rule 5.1.4 – Notification of the **Clients** for new Securities

1. Where the **ITS CSD** approves a class of Security, **ITS CSD** will notify the **Clients** by way of **Notice**, which may be jointly with ITS with its decision to list the Security in the same market **Notice** in a manner as regulated in ITS **Business** Rules.

#### **Procedures for Rule 5.5.1 – Procedure and practice in relation to consideration of an application for ruling or waiver**

1. Applications for waiver and/or rulings from a Rule or Procedure should be in writing and addressed to the **ITS CSD**, attention of the CEO of **ITS CSD**. Applications may be made in writing, duly signed by Authorised Person and sent via **EDMS**.
2. Applications for a waiver or ruling should contain all information required to clearly establish and document the need for the waiver or ruling sought. As a minimum this should address:
  - (a) **Applicant**: the full name of the **Client** seeking the waiver or ruling;
  - (b) Background: the full background to the matter and the **Transactions** or circumstances in respect of which the waiver or ruling is sought. This should include the generic background to the situation or events in question followed by the material details, e.g., details of **Transactions**, etc.;
  - (c) Details: the specific Rule or Procedure in respect of which the waiver or the ruling is sought and any conditions of the waiver or ruling which the **Applicant** considers appropriate;



- (d) Reasons: for each provision of the Rule or Procedure in respect of which the waiver or ruling is sought, the reasons and justifications of the waiver or ruling;
  - (e) Precedents: any existing waiver or ruling decisions which are similar to the waiver or ruling sought and which may provide a precedent for the application. The application should state how the precedents are similar to, and different from, the waiver or ruling sought;
  - (f) Impact: how the proposed waiver or ruling may affect the **ITS CSD**, the **Client** or **Clients** of the **Client** seeking the waiver or ruling and other **Client**, including any costs and benefits to them and that **Client**;
  - (g) Timeframe: whether the application is urgent and the date by when a determination is needed and the reason/s why the application should be considered on an urgent basis;
  - (h) Publication: whether the **Applicant** requires a decision or any information in relation to the application to be kept confidential and the period for which that confidentiality is required. This must set out the policy reason why the decision should not be published, or alternatively why publication should be delayed for a period of time; and
  - (i) Other: any other information known to the **Applicant** that is material or relevant to the application.
3. Applications for a waiver or ruling should be accompanied by any relevant documents to support the application.

#### **Procedures for Rule 5.5.1 – Timing of the application for ruling or waiver**

1. All applications for waiver and rulings should be submitted to the **ITS CSD** at least 10 **Business Days** prior to the **Client** requiring a determination. If a determination is required in less than 10 **Business Days** a **Client** may apply to have the application dealt with on an urgent basis.
2. If an application is urgent, a timeframe should be provided within which determination is needed accompanied by the reasons for the request for urgent consideration.
3. The **ITS CSD** does not guarantee that a decision will be provided within any particular time. While the **ITS CSD** will always endeavor to meet an **Applicant's** timeframe, the ability to meet urgent timetables will be subject to the **ITS CSD** resource availability. The timing of a decision in relation to an application may also be influenced by the quality of the application and the thoroughness with which it has been prepared.

#### **Procedures for Rule 5.5.1 – Review of the application for ruling or waiver**

1. On receipt of an application for a waiver or ruling, that waiver or ruling is considered by the **ITS CSD** regulatory Personnel. The **ITS CSD's** compliance officer will be identified to the **Applicant** for the purposes of communications.
2. After an initial appraisal, the **Applicant** may be requested to provide additional information.
3. When all information requested by the **ITS CSD** has been provided by the **Applicant** and considered by the **ITS CSD**, the lead compliance officer will prepare a decision in relation to the application. A draft decision may be provided to the **Applicant** for discussion if the **ITS CSD** believe necessary.
4. In its decision the **ITS CSD** will, subject confidentiality Procedures as stated below in publication of ruling or waiver in these Procedures, publish the identity of the **Client**, the facts of that application, the determination made by the **ITS CSD** in response to that application and the grounds for determining the application.

#### **Procedures for Rule 5.5.1 – Fees for application of ruling or waiver**

1. The **Client** making an application for a waiver or ruling must pay the fees specified in that respect. Fees will be payable regardless of whether the application is accepted or declined.
2. Waiver and ruling fees will be invoiced to the **Client** concerned at the conclusion of the **ITS CSD's** work, or on a monthly basis where necessary.

#### **Procedures for Rule 5.5.1 – Publication of ruling or waiver**

1. The **ITS CSD** publishes all decisions in relation to applications for waiver or rulings (and revocations of waiver or rulings) from the Rules, unless:
  - (a) the **Client** seeking the waiver or ruling establishes, to the satisfaction of the **ITS CSD**, grounds for maintaining confidentiality of the **ITS CSD's** decision with respect to a waiver or ruling application; or
  - (b) the **ITS CSD** determine in its sole discretion not to publish its decision with respect to a ruling or waiver application.
2. **Applicants** will be provided with decisions at least one-half **Business Day** prior to their public release. The decision provided is a final decision and will not be for comment by the **Client**. The decision is provided to facilitate the **Client** dealing with the publication of the waiver by the **ITS CSD**.

#### **Procedures for Rule 5.6.4 – Procedure for the working days and hours of ITS CSD**

1. The Settlement days, the **Business Days** and the **Business Hours** of **ITS CSD** are set up as follows:

Settlement days: Each week from Monday to Friday, except on days which are declared as holidays in Kazakhstan. **ITS CSD** will publish the Settlement days in a Settlement Calendar for the relevant year on [www.itsx.kz](http://www.itsx.kz)

**Business Days:** Each day declared to be a working day for **ITS CSD** by decision of the **ITS CSD** management, which usually equals Settlement Day.

**Business Hours:** **ITS CSD's Business Hours** are from 09:00 am to 06:00 pm.

2. Settlement day for **ITS CSD** must be a **Business Day**.

3. **Business Day** for **ITS CSD** may not be a Settlement Day.

4. **ITS CSD** may extend or reduce the above stated timings with **Notice** to the **Clients** and shall publish them on [www.itsx.kz](http://www.itsx.kz).

#### **Procedures for Rule 5.6.5 – Fees, levies and other charges**

1. Admission, activity and other fees are published in the **ITS CSD's** General fee schedule which can be located at [www.itsx.kz](http://www.itsx.kz). **ITS CSD** fees for the **Clients** may be set jointly with ITS in one fee schedule.

2. Activity fees are calculated on a monthly basis by reference to the activity in each calendar month. Invoices are to be payable within 7 **Business Days**.

3. **ITS CSD** may rely on data submitted to it to calculate fees, levies and charges.

4. **ITS CSD** invoices the **Client**, where applicable, for, and the **Client** shall pay to **ITS CSD**, the aggregate of all the fees, levies and other charges as defined in **ITS CSD** General fees Procedures and in **Notices** ("**Client Fees**").

5. In addition to the **Client Fees**, the **Client** pays any sales, use, goods and services, value added, transfer, property or other taxes, any tax in the nature of withholding tax, and any duty or duties payable in respect of **Client Fees** or any part thereof and/or the provision of **ITS CSD** or otherwise arising in respect of **Depository Agreement**.

6. **Client** shall pay to **ITS CSD** the amounts stated in the invoice in full, without any deduction.

7. Where the **Client** fails to pay in time specified in the invoice issued by **ITS CSD**, other than in the case where the **Client** is disputing such charges or sums in good faith, **ITS CSD** may suspend or terminate **Depository Agreement** with immediate or delayed effect, without prejudice to any other action which **ITS CSD** may take.

8. Any invoice queries including, without limitation, any request by the **Client** for repayment of overpaid charges must be made within a period of 30 **Business Days** from the end of the month to which the relevant invoice relates. The **Client** shall not be entitled to query an invoice of **ITS CSD** and/or claim repayment of any overpaid charges after this period.

9. If the **Client** fails to make a payment of **Client Fees** due to **ITS CSD** by the due date, then the **Client** shall pay interest on the overdue sum from the due date until payment of the overdue sum, whether before or after judgment. The interest will accrue each day at a rate as specified in the invoice or in a **Notice** issued by **ITS CSD**.

#### **Procedures for Rule 5.6.5 – Waiver and Ruling Fee**

1. Each **Applicant** for a waiver or ruling must pay a fee calculated on the basis of time devoted by Personnel to the application, calculated at the rates set out in the **ITS CSD's** fee schedule.

2. The **Applicant** will also reimburse to the **ITS CSD** the costs charged by any professional advisors who may be engaged by the **ITS CSD** in the process of determination of the application.

#### **ATTACHMENT 1 – ITS CSD FORMS**

The prescribed forms in these Procedures are in the table below:

<b>CSD-AAF</b>	Applicant Application Form
<b>CSD-RD</b>	Required Documents for Applicant
<b>CSD-CAOR</b>	Client Account Opening/Closing/Modification Request
<b>CSD-IST</b>	Internal Securities Transfer Form
<b>CSD-SET</b>	Securities External Transfer Form
<b>CSD-SAS</b>	Securities Account Statement
<b>CSD-ATR</b>	Account Transaction Report
<b>CSD-AOCR</b>	Account Opening/Closing/Modification Report
<b>CSD-CPDP</b>	Consent to the Personal data processing