

**REGULATIONS  
ON ADMITTING FINANCIAL INSTRUMENTS TO TRADING  
(INTERNATIONAL TRADING SYSTEM LIMITED)**

## Table of contents

1.	General provisions.....	3
2.	Grounds and conditions for admitting QI to trading .....	3
3.	Grounds and conditions for termination of trading in QI .....	4
4.	Grounds and conditions for amendment of information on QI.....	6
5.	Control of the QI compliance with the Regulations .....	6
6.	Disclosure of information .....	7

## **1. General provisions**

- 1.1. These Regulations on Admitting Financial Instruments to Trading ("Regulations") establish the terms and procedures for:
  - admission of financial instruments to trading held by the International Trading System Limited ("ITS Ltd.", "Company");
  - supervision over compliance of financial instruments and their issuers (other persons bearing obligations under financial instruments) (together referred to as Issuer) with AIFC Regulations and Rules and the Regulations.
- 1.2. The Company shall admit to trading only those financial instruments which constitute Qualified Investments ("Qualified Investment, QI") in the meaning of the AIFC Regulations and Rules.

If necessary, the Company is entitled to make a request for recognition of a financial instrument as a Qualified Investment in accordance with the AIFC Regulations and Rules.
- 1.3. The Company admits Qualified Investments to trading in the course of their circulation, and trading held by the Company shall commence on the same day which was announced as the first day of trading in the Qualified Investment on a trading venue, or exchange meeting at least one of the criteria of clause 2.5.3 herein, or on a later date.
- 1.4. The list of Qualified Investments admitted to trading on the Company's platform ("List"), as well as amendments made to the List, are subject to the Company's approval.
- 1.5. The Company is entitled to establish criteria and conditions for classifying a set of Qualified Investments meeting such criteria and conditions as eligible for admission to a specified segment of the List.
- 1.6. The Company may request the AFSA, if necessary, for individual approval for a QI, a list of QI, or for a general approval for a class of QI covering any QI that meet class criteria. Under no circumstances a QI issued by an Issuer with a place of incorporation in the Republic of Kazakhstan, including in the Astana International Financial Centre ("AIFC") shall require AFSA approval for admission to trading organized by the Company.
- 1.7. The List is amended accordingly to reflect the following decisions taken by the Company as provided for in the Regulations:
  - On the inclusion of Qualified Investments into the List, with indication of a segment of the List, if applicable;
  - On deletion of Qualified Investments from the List, or a segment of the List, if applicable;
  - On transferring of Qualified Investments between the segments of the List;
  - On amending the information about the Qualified Investments.
- 1.8. Upon inclusion (deletion) of Qualified Investments into (from) the List, the Company is entitled to submit a notification to the Issuer of the Qualified Investments.
- 1.9. If QI is admitted to trading on the initiative of the Company, the Issuer of the QI does not bear any obligations in relation to the Company and is not required to disclose any information in connection with the admission of QI to trading organized by the Company.

## **2. Grounds and conditions for admitting QI to trading**

- 2.1. The Company makes a decision to admit Qualified Investments to trading on its own initiative, or on the basis of the application received from the Issuer of the Qualified Investment, the Company's Trading Member, or other person (Applicant).
- 2.2. When admitting Qualified Investments to trading based on an application, the Company is entitled to require the Applicant to provide the Company with documents and/or information on the Qualified Investments covered by the application.
- 2.3. The Company charges a fee payable by the Applicant in the amount determined by the Company for the admission of Qualified Investments to trading based on the application.
- 2.4. The Company is entitled to decline the Applicant's request to admit Qualified Investments to trading at its sole discretion without explaining the reasons.
- 2.5. Unless the Regulations provide otherwise, Qualified Investments may be admitted to trading subject to the compliance with all of the below conditions:

2.5.1. assignment of an international securities identification code (number) (ISIN) and an international financial instruments classification code (CFI) to QI;

2.5.2. qualification of QI as:

- shares if the first letter is "E", provided the second letter is "S", "P", "R", "C", "F" or "V", unless the sixth letter is "Z" or "A";
- depository receipts representing shares, in the following cases:
  - the first letter is "E", the second letter is "S", "P", "R", "C", "F" or "V", provided that the sixth letter is "Z" or "A";
  - the first letter is "E", the second letter is "D", provided that the third letter is "S", "P", "C" or "F".
- investment units or shares of investment fund, provided that:
  - the first letter is "E", provided that the second letter is "U", unless the sixth letter is "Z" or "A";
  - the first letter is "C" provided that the sixth letter is "X"
- investment fund units in case that the first letter is "C", provided that the sixth letter is "U" or "Y"
- investment fund shares, in case that the first letter is "C" provided that the sixth letter is "S" or "Q".
- depository receipts representing investment units or shares of investment fund in case the first letter is "E", provided that the second letter is "U" and the sixth letter is "Z" or "A".
- bonds (other than structured bonds) in case the first letter is "D", provided that the second letter is "B", "C", "T", "Y", "G", "A" or "N", unless the sixth letter is "Z" or "A"
- depository receipts representing bonds, in the following cases:
  - the first letter is "D", the second letter is "B", "C", "T" or "Y", provided the sixth letter is "Z" or "A";
  - the first and second letters are "D", provided the third letter is "B", "C", "T", "Y", "G", "A" or "N";

2.5.3. the commencement or completion of admission to trading, or listing of the QI on a trading venue, or exchange complying with at least one of the following criteria ("Recognised Trading Venue"):

- the exchange, its parent company, or the exchange group is a member of the World Federation of Exchanges and/or the International Association of CIS Exchanges, unless it is an associate member;
- the place of incorporation of the trading venue, or exchange is a member state of the Organisation for Economic Cooperation and Development (OECD), a member or observer member of the Financial Action Task Force (FATF) and/or a member of the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (Moneyval), and/or a member of the Eurasian Economic Union;

2.5.4. the legislation governing QI does not impose restrictions whereby the offer of the QI to an unrestricted circle of persons for trading on the Company is not permitted;

2.5.5. information is disclosed by the QI Issuer in a language widely used on the financial market in accordance with the requirements of any Recognised Trading Venue where the QI is listed, or admitted to trading.

2.6. Qualified Investments which do not meet the requirements set out in clause 2.5 of the Regulations may be admitted to trading on a case-by-case basis upon receipt of a recommendation from an expert whose advice may be sought by the Company at its own discretion and subject to prior approval by the AFSA.

2.7. When assessing the suitability of QI for admission to trading, the Company may at its own discretion take into account the liquidity of the QI and the reliability of the QI Issuer based on information on credit ratings and probability of insolvency disclosed publicly or available through subscription to information products.

### **3. Grounds and conditions for termination of trading in QI**

- 3.1. Not later than thirty (30) days from the date of receipt of the following documents, the Company takes a decision to terminate trading in QI, or to decline the termination request:
- Application for termination of trading signed by the QI Issuer;
  - Application for termination of trading signed by the Company's Trading Member, or other person, on the basis of whose application the QI was admitted to trading.
- In cases stipulated by this clause of the Regulation, the trading in QI is terminated not earlier than 1 (one) month and not later than 3 (three) months from the date of the Company's decision.
- 3.2. The Company terminates the trading in QI in case of any of the following conditions:
- 3.2.1. Receipt of a corresponding order (notification, requirement) from the relevant competent (regulatory) authority in the Issuer's state or jurisdiction of incorporation;
  - 3.2.2. Redemption (early redemption, cancellation) of QI of the given type/class/category, including as a result of QI conversions;
  - 3.2.3. Termination of operations or cessation of service (exclusion from the list of serviced instruments) in respect of the QI by the Settlement Depository (except for cases related to technical changes of the QI parameters and temporary termination of operations while a corporate action is processed);
  - 3.2.4. Termination of the QI Issuer activities as a result of reorganisation, or liquidation, except for cases of replacement of the bond issuer.
- 3.3. In case of the condition specified in clause 3.2.1 of the Regulations, termination of trading in the QI is carried out within the term specified in the relevant order (notification, request).
- 3.4. In case of any of the conditions specified in clauses 3.2.2 and 3.2.3 of the Regulations, termination of trading in the QI is carried out not later than five (5) business days after the Company became aware or should have become aware of the occurrence of the respective condition.
- 3.5. In case of the condition specified in clause 3.2.4 of the Regulations, the Company takes a decision on termination of trading in the QI not later than five (5) trading days following the day of disclosure of information about submission of the application for liquidation or reorganization of the Issuer to the competent authority in the state or jurisdiction of incorporation of the Issuer. In case the decision to liquidate the Issuer is taken by a competent authority of the place of incorporation, the Company takes the decision to terminate trading in the QI not later than two (2) months following the day when the Company became aware or should have become aware of the taken decision to liquidate such Issuer.
- The Company terminates trading in the QI on the grounds provided for in this clause no later than three (3) months from the date of the Company's decision.
- 3.6. The Company is entitled to terminate trading in the QI in the following cases:
- 3.6.1. The occurrence of significant events that may affect the QI trading;
  - 3.6.2. Receipt of proposals and/or recommendations from an expert whose advice may be sought by the Company at its own discretion;
  - 3.6.3. The QI Consolidation (reverse split);
  - 3.6.4. Failure by the Applicant to meet its financial obligations to the Company;
  - 3.6.5. At its own discretion without obligation to disclose the grounds for this decision.
- 3.7. If the Company decides to terminate trading in the QI based on the received proposals and/or recommendations specified in clause 3.6.2 of the Regulations, or at its own discretion without disclosure of grounds for this decision as provided for in clause 3.6.5 of the Regulations, trading in the QI can be terminated not earlier than 1 (one) and not later than 3 (three) months from the date of such decision.
- 3.8. In case the QI does not comply with the requirements of the applicable law of the Issuer's state or jurisdiction of incorporation and/or requirements of the Regulations, the Company determines if it is possible to resolve the non-compliance no later than one (1) trading day following the day when it became aware or should have become aware of such non-compliance.

- 3.9. In case it is possible to regain compliance with requirements referred to in clause 3.8 of the Regulations, the Company takes one of the following decisions:
- 3.9.1. to continue trading in the QI and to set a deadline for the resolution of the non-compliance. The grace period granted by the Company for regaining compliance may not exceed six (6) months;
  - 3.9.2. to terminate trading in the QI taking into account the significance of the non-compliance or its regularity.
- 3.10. In case it is not possible to regain compliance with requirements referred to in clause 3.8 of the Regulations, or in case of QI Issuer's failure to regain compliance within the grace period granted by the Company, the Company makes a decision whether trading in the QI is to be continued, or terminated.  
The Company is entitled to decide on the continuation of the QI trading in case the non-compliance is of a non-systematic nature and/or is not significant.
- 3.11. Trading in QI can be terminated in accordance with clauses 3.9 and 3.10 of the Regulations, not earlier than one (1) month and not later than three (3) months from the date of the Company's decision to terminate the trading.
- 3.12. The decision on the significance and systematic nature of the non-compliance provided for in the Regulations is taken by the Company solely for the purpose of determination whether to continue, or terminate trading in the QI, or to introduce other measures set forth in the Regulations.
- 3.13. Non-compliance by a QI is deemed to be significant if it constitutes a failure to comply with the requirements of clause 2.5 of the Regulations. At the same time, a significant non-compliance with the requirement set forth in clause 2.5.5 of the Regulations is a failure by the QI Issuer to regain compliance within the granted grace period, subject to its possible extension, with the information disclosure requirements set forth by the rules of any Recognised Trading Venue where the QI is listed, or admitted to trading.
- 3.14. Non-compliance is deemed to be systematic in case it is revealed 3 or more times within one year. However, systematic nature is determined separately in relation to each type of non-compliance.
- 3.15. Upon the occurrence of circumstances for termination of QI trading under the Regulations, the Company is entitled to make a decision on continuation of trading for the benefit of investors, except for the cases specified in clauses 3.2.2 and 3.2.4 of the Regulations.

#### **4. Grounds and conditions for amendment of information on QI**

- 4.1. The Company makes a decision to amend the information on the Qualified Investments in the following cases:
- 4.1.1. amendments to the full name of the QI Issuer and, for depository receipts, including in the case of amendments to the name of the issuer of the underlying securities;
  - 4.1.2. amendments to the international securities identification code (ISIN code) and, for depository receipts, including in case of amendments to the ISIN code of the underlying securities;
  - 4.1.3. amendments to the international classification code for financial instruments (CFI code) and, in the case of depository receipts, including in the case of amendments to the CFI code of the underlying securities;
  - 4.1.4. amendments to the QI par value;
  - 4.1.5. amendments to the QI identification code;
  - 4.1.6. decision by the Company on the inclusion of the QI into the List segment or its exclusion from the List segment;
  - 4.1.7. identification by the Company of outdated, or inaccurate information, including due to errors made by the QI Issuer in the disclosure of information;
  - 4.1.8. obtaining information which may suggest the need to amend QI parameters and/or data on the QI Issuer and/or data contained in the List and (or) the QI Profile, and/or other information.

#### **5. Control of the QI compliance with the Regulations**

- 5.1. The Company performs daily monitoring of corporate actions in respect of Qualified Investments in order to identify grounds for termination of trading and/or amendments to the QI parameters.
- 5.2. The Company controls the following:
  - compliance of the QI with the requirements set forth in the AIFC Regulations and Rules and the Regulations;
  - compliance by the Applicant with its financial obligations to the Company;
  - regaining compliance by the QI and its Issuer until the expiration of the grace period granted by the Company.
- 5.3. The control procedure includes collecting and processing information about the Issuer and the terms of the QI circulation.
- 5.4. Control is carried out on the basis of information disclosed by the QI Issuer as well as information published by accredited agencies, the media, special public disclosure systems or provided by any the Company's Trading Member.
- 5.5. Regular control of compliance with the requirements of the Regulations is carried out at the end of each calendar quarter.

## **6. Disclosure of information**

- 6.1. The Company discloses the list of Qualified Investments admitted to trading on the Company's platform ("List") on the official Company's website in the Information and Telecommunication Network "Internet" ("Company's Website") indicating the following information, if applicable, taking into account the specific features of the Qualified Investments:
  - Identification code of the financial instrument;
  - Full name of the financial instrument Issuer, for depository receipts - including the full name of the Issuer of the underlying securities;
  - Kind, category, type of financial instrument, for depository receipts - including kind, category, type of the underlying securities; for collective investment scheme securities - including the full name of the investment fund (if applicable)
  - International Securities Identification Number (ISIN), for depository receipts, including the International Securities Identification Number (ISIN) of the underlying securities (if applicable);
  - International Classification Code for Financial Instruments (CFI), for depository receipts, including the International Classification Code for underlying securities (if applicable);
  - The par value of the financial instrument (if any) and the par value currency;
  - Date of admission to trading on the Company's platform;
  - Name of the List segment, if applicable.
- 6.2. The List may include other information subject to the AIFC Regulations and Rules.
- 6.3. The List allows for access to the sections of the Company's Website containing information regarding the Qualified Investment and its Issuer ("Qualified Investment Profile").
- 6.4. In addition to the information specified in paragraphs 2 to 8 of clause 6.1 of the Regulations, the Qualified Investment Profile contains the following information, if applicable, taking into account the specific features of the Qualified Investment:
  - The state of incorporation of the Issuer and, in case of depository receipts, including the state of incorporation of the Issuer of the underlying securities;
  - The Recognised Trading Venue where the Qualified Investment has been listed, or admitted to trading;
  - Trading Modes offering the possibility to conclude agreements in respect of Qualified Investments;
  - Information about inclusion of Qualified Investment into the List, or about retention of the Qualified Investment on the List in case the QI Issuer fails to comply with the conditions and requirements set forth in the Regulations, or the Qualified Investment does not meet the conditions and requirements set forth in the Regulations. The said information may be excluded from the QI Profile by the Company's decision one year after its disclosure on the Company's Website.

- Web pages used by the Issuer and, in the case of depository receipts, also by the Issuer of the underlying securities, for the disclosure of information;
  - In relation to bonds, if applicable:
    - coupon rate or the procedure for its determination;
    - maturity date.
- 6.5. Other information may be included in the QI Profile subject to the AIFC Regulations and Rules.
- 6.6. The Company discloses the following information on the Company's Website:
- On the decision to admit the Qualified Investment to trading and on the date of commencement of trading in the Qualified Investment - no later than one hour prior to the start of trading in the Qualified Investment;
  - Report of a non-compliance identified in relation to the Qualified Investment - no later than on the trading day following the day when the Company identified the non-compliance;
  - On the continuation of trading in the Qualified Investment in respect of which the non-compliance has been identified - no later than on the trading day following the day when the relevant decision was taken;
  - On the decision to terminate trading in the Qualified Investment and the date of termination of the Qualified Investment trading - no later than on the trading day following the day when the relevant decision was taken.
- 6.7. No later than the commencement of trading in the Qualified Investment, the Company discloses information to the extent such information is disclosed in accordance with the regulations of any Recognised Trading Venue where the Qualified Investments are listed, or admitted to trading.
- 6.8. The Company is entitled to disclose information by publishing such information on the Company's Website, or by providing hyperlinks to the web pages in the information and telecommunication network "Internet", where information is disclosed in a language widely used in the financial market in accordance with the regulations of any Recognised Trading Venue where the Qualified Investment is listed, or admitted to trading.
- In case the Qualified Investment is listed, or admitted to trading on several Recognised Trading Venues, the Company is entitled to determine the Recognised Trading Venue the regulations of which are to be met by the QI Issuer in terms of information disclosure, for such Qualified Investment to be admitted to trading organized by the Company.