


Caspy Commodity Exchange JSC

Approved
by order of the President
Caspy Commodity Exchange JSC
dated September 14, 2022

Broker (Dealer) Ethics Code for Members of Caspy Commodity Exchange JSC

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1. General Provisions

1. This Broker (Dealer) Ethics Code for members of Caspy Commodity Exchange JSC (hereinafter referred to as the Code) has been developed in accordance with the requirements of the Law of the Republic of Kazakhstan dated May 4, 2009, "On Commodity Exchanges" (hereinafter referred to as the Law), with subparagraph 8) of paragraph 131 of the Exchange Trading Rules, approved by Order No. 280 of the Acting Minister of National Economy of the Republic of Kazakhstan dated March 30, 2015 (hereinafter referred to as the Rules), and other internal regulatory documents of the Exchange.

2. The purpose of this Code is to ensure compliance with the current legislation of the Republic of Kazakhstan in the field of exchange trading, to establish principles and standards of conduct for brokers (dealers) (hereinafter referred to as Exchange members) in exchange transactions conducted on the Exchange's electronic trading platform, in trading operations, and in all other client service interactions, thereby fostering professionalism, increasing transparency, and promoting competition in exchange trading.

3. This Broker Ethics Code is mandatory for all members of the Exchange, regardless of the trading section in which they operate or any other circumstances.

4. The obligation of Exchange members to adhere to the Code takes effect from the date of their admission as a member and ceases upon their exclusion and/or voluntary withdrawal from the Exchange.

5. The Code is approved and enacted by order of the President of the Exchange, is publicly accessible, and shall be made available to all Exchange members through publication on the website www.ccx.kz.

6. Any Exchange member complying with the standards set forth in the Code is entitled to expect and require other members to observe these standards.

2. Principles of Activity of Exchange Members

7. Exchange members are required to adhere to the following principles in their trading activities organized by the Exchange:

- 1) Strictly comply with applicable legislation of the Republic of Kazakhstan in the areas of exchange trading and other relevant fields, as well as with the internal regulatory documents of the Exchange;
- 2) Avoid any instances of unfair competition in their relationships with the Exchange, other members, and their clients;
- 3) Safeguard confidential and proprietary information related to the Exchange, their clients, and other Exchange members;

- 4) Conduct business with the highest standards of integrity and transparency with clients, the Exchange, and other members;
- 5) Act impartially and prevent any form of corruption;
- 6) Refrain from and prevent any actions that contravene the legally protected interests of commercial and other organizations, state service, and public administration;
- 7) Prioritize the interests of clients in all business dealings, placing client interests above personal ones;
- 8) Maintain impartiality in all business relationships;
- 9) Ensure transparency of information provided to clients;
- 10) Preserve and build client trust in the Exchange and its trading operations;
- 11) Avoid actions that would harm their reputation, the Exchange, or the credibility of exchange trading.


3. Obligations and Prohibitions for Exchange Members

8. Exchange members are obliged to:

- 1) Strictly adhere to the Code, the Law, the Rules, the Clearing Rules of the Exchange's clearing organization, and other internal documents of the Exchange and its clearing organization, as well as the legal acts of the Republic of Kazakhstan;
- 2) Promote transparency, efficiency, and competitiveness in exchange trading;
- 3) Follow the recommendations of the authorized state body in exchange trading regulation, the Exchange, and its clearing organization;
- 4) Comply with all Exchange directives aimed at preventing or remedying the consequences of unethical actions that violate laws in exchange trading, the Code, or other internal Exchange regulations;
- 5) Avoid unjustified refusals in providing brokerage services to clients, except in cases where this would cause financial loss or harm their business reputation;
- 6) Provide the Exchange with requested information (documents) for investigations related to exchange trading and other Exchange procedures;
- 7) Notify the Exchange in writing of accreditation as a broker and/or dealer on other commodity exchanges and report the outcomes of such accreditation.

9. Exchange members are prohibited from:

- 1) Engaging in price manipulation or unlawful influence on pricing for goods traded on the Exchange's electronic platform through collusion with other members or third parties;

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- 2) Providing false, misleading, or distorted information to the regulatory body, the Exchange, clients, or other members;
- 3) Unlawfully favoring one client over others;
- 4) Disclosing or transferring confidential or proprietary information as designated by law or the Exchange's internal documents;
- 5) Using affiliated or proxy brokerage firms for unfair competitive advantage in exchange trading;
- 6) Cooperating with parties with unresolved tax obligations;
- 7) Collaborating with clients listed as violators of exchange trading rules;
- 8) Collaborating with clients in registers of unreliable public procurement participants or other high-risk parties;
- 9) Engaging with parties of negative reputation, including those under court rulings for criminal, administrative, or civil responsibility or those subject to enforcement actions;
- 10) Engaging in any actions that harm the Exchange's reputation or cause any losses;
- 11) Associating with parties listed in regulations for anti-money laundering and counter-terrorism financing, including entities on sanctions lists per United Nations Security Council resolutions related to financing terrorism or weapons proliferation;
- 12) Engaging in other actions that undermine the competitiveness of Exchange trading or the reputation of the Exchange and its trading operations.

4. Responsibility

10. Exchange members are accountable to the Exchange for any failure to comply with the requirements of the current legislation of the Republic of Kazakhstan on exchange trading, this Code, and other internal regulatory documents of the Exchange and its clearing organization.

11. The Exchange reserves the right to conduct internal investigations in response to complaints from participants or third parties, as well as on its own initiative, in cases where the following facts are identified:

- 1) Exchange members using the same IP addresses (accounts) or computing resources for submitting applications, requests for purchase or sale, or statements to the Exchange and its clearing organization during electronic exchange trading;
- 2) Exchange members using the same legal or physical address;
- 3) Issuance of digital signature certificates for different members under the same individual;
- 4) Preparation of documents for trade participation on behalf of different entities by the same representative;

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5) In other cases of gross violations by Exchange members of the legislation of the Republic of Kazakhstan on exchange trading, this Code, or other internal regulatory documents of the Exchange and its clearing organization..

12. If an Exchange member is found to have violated the requirements of Kazakhstan's legislation on exchange trading, this Code, or other Exchange and clearing organization regulations, the Exchange may, at its discretion, impose disciplinary measures as provided by law or internal regulations. Such measures may include suspension or termination of accreditation, depending on the severity and frequency of the violations.
