

Caspy Commodity Exchange JSC

Approved
by the Board of Directors
Caspy Commodity Exchange JSC
dated 08/26/2022.

**Terms and conditions of
financial sustainability determinations
of exchange traders
Caspy Commodity Exchange JSC**

2022 г.

1. General provisions

1.1 The procedure and conditions for determining financial stability of exchange trade participants of Caspy Commodity Exchange JSC (hereinafter - the Procedure) is developed in accordance with the Law of the Republic of Kazakhstan dated May 4, 2009 "On Commodity Exchanges", Order of the Acting Minister of National Economy of the Republic of Kazakhstan dated March 30, 2015 No. 280 "On Approval of Exchange Trade Rules" (hereinafter - Exchange Trade Rules) for the purpose of compliance by exchange trade participants with financial stability standards.

1.2 The terms used in this Procedure shall be defined in accordance with the current legislation of the Republic of Kazakhstan, and regulatory legal documents specified in paragraph 1 of this Procedure.

1.3 This procedure establishes the conditions for determining financial sustainability at:

- 1) Brokers and dealers accredited as members of the Exchange, except for dealers holding an industrial certificate;
- 2) Applicants for accreditation as a broker/dealer - member of the Exchange;
- 3) Exchange trade participants as potential suppliers for corporate procurement;
- 4) Buyers on exchange transactions of standardized goods.

2. Conditions for determining financial stability

2.1 For dealers:

2.1.1 The following requirements are set for accredited and accredited dealers of the Exchange, except for the dealers possessing an industrial certificate and carrying out activities on the commodity exchange for the sale of goods produced by them:

- 1) the amount of equity capital should be not less than 5,000,000 (five million) tenge.
- 2) in accordance with the commodity trading section determined by the Exchange Trading Rules and internal documents of the Exchange.

2.1.2 The Dealer, in case of impossibility to confirm the sufficient amount of equity capital, brings to the Exchange clearing organization additional collateral as a guarantee of fulfillment of its obligations in the amount set by the Exchange.

2.2 For brokers:

2.2.1 For accredited brokers of the Exchange who have continuous experience at Caspy Commodity Exchange JSC with the current debt not more than 30 (thirty) calendar days or its absence, no requirements to the size of equity capital are imposed.

2.2.2 Brokers who have debts to the commodity exchange over 30 (thirty)

calendar days must confirm their equity capital in the amount of not less than 10,000,000 (ten million) tenge. At that, the above-mentioned accredited members of the Exchange are given a term until December 31, 2022 to confirm the size of their equity capital in accordance with the established requirement. Upon expiration of the established term Brokers provide the commodity exchange with relevant data. Failure to bring the size of equity capital to the established threshold may be grounds for suspension of their admission to trading.

2.2.3 For newly accredited brokers to the commodity exchange the size of equity capital shall be not less than 10,000,000 (ten million) tenge.

2.2.4 The Broker, in case of impossibility to confirm the sufficient amount of equity capital, is entitled to apply for making an additional refundable contribution to the Exchange clearing organization, which will be a confirmation of its financial stability and a guarantee of fulfillment of its obligations. The Exchange may take a positive decision on accreditation of such Broker provided he makes a corresponding contribution in the amount agreed by the Exchange.

2.3 For all potential suppliers:

2.3.1 The following requirements shall be imposed on a potential supplier to confirm financial stability:

- 1) absence of overdue debts on tax contributions;
- 2) no debts to second-tier banks and his account has not been seized;
- 3) bankruptcy proceedings have not been initiated against the potential supplier.

2.4 For potential suppliers on purchases of subsoil users and buyers on exchange transactions with standardized goods:

2.4.1 Potential suppliers on purchases of subsoil users and buyers on exchange transactions with standardized commodities shall be subject to financial stability requirements determined on the basis of the following information of state revenue authorities:

- 1) Income;
- 2) taxes paid,

indicator of taxes paid, calculated by the following formula: $PUN = UZ / SD \times 100\%$, where:

- PUN is an indicator of taxes paid,
UZ - amount of taxes paid;
SD - the amount of income.

2.4.2 A potential supplier for procurement of subsoil users is recognized as financially stable if it meets the following conditions in the aggregate:

1) the income of the potential supplier during the three years preceding the previous year according to the information systems of the state revenue authorities is not less than one second of the amount allocated for the procurement;

2) the indicator of taxes paid during the three years preceding the previous year according to the information systems of state revenue authorities is not less than three percent of the income of the potential supplier.

2.4.3 The Buyer under an exchange deal in standardized commodities shall be recognized as financially stable if it meets the following conditions in aggregate:

- 1) the buyer's income within three years preceding the previous year according to the data of information systems of state revenue authorities is not less than one second of the amount of the exchange transaction;
- 2) the indicator of taxes paid during the three years preceding the previous year according to the information systems of state revenue authorities is not less than three percent of the buyer's income.

3. Documents required to confirm financial stability for potential suppliers

3.1 To prove financial stability, a potential supplier shall submit:

1) electronic copy of the certificate of the relevant tax authority on absence of debt, except for cases when the term of payment is deferred in accordance with the Code of the Republic of Kazakhstan "On Taxes and Other Obligatory Payments to the Budget", or on the existence of debt of less than one tenge, as of the date not earlier than one month preceding the date of submission of applications;

2) electronic copy of the certificate from the bank or branch of the bank with signature and seal (if any), where the potential supplier is serviced, on absence of overdue debt on obligations of the potential supplier, lasting more than three months preceding the date of issuance of the certificate, to the bank or branch of the bank.

In case the potential supplier is a client of several second-tier banks or branches, as well as of a foreign bank, the certificate shall be submitted from each of such banks.

3) financial statements for the relevant period in accordance with the statutory requirements (Forms 1, 2 and 3);

4) information on the amount of income and taxes paid for the last three years.

4. Consequences of non-compliance

4.1 Exchange trade participants that do not meet financial stability requirements set forth in this Procedure shall not be allowed to participate in exchange trading.
