


Caspy Commodity Exchange JSC

Approved by the Board of Directors
Caspy Commodity Exchange JSC
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Rules on Disciplinary Measures for Brokers and Dealers for Violations of Exchange Trading Rules and Internal Regulations of Caspy Commodity Exchange JSC

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		Revision 1

1. General Provisions

1.1. These Rules establish disciplinary measures for brokers and dealers violating the Exchange Trading Rules and internal regulations of Caspy Commodity Exchange JSC (hereinafter "Exchange"), as per the Law of the Republic of Kazakhstan "On Commodity Exchanges" (2009) and the Order of the Acting Minister of National Economy of the Republic of Kazakhstan on exchange trading rules (2015).

1.2. Definitions and terms used in these Rules align with the Exchange Trading Rules.

1.3. A disciplinary measure is a sanction applied to an Exchange member — broker or dealer — for violating the service agreement, the Exchange Trading Rules, or other internal Exchange documents, imposing certain restrictions on participation and adverse consequences for the member.

2. Types of Disciplinary Measures (Sanctions)

2.1. The Exchange may impose the following sanctions for violations of the service agreement, Exchange Trading Rules, or other internal documents:

- 1) Warning
- 2) Fine
- 3) Temporary suspension of trading rights
- 4) Suspension of accreditation for six months
- 5) Termination of Exchange membership

2.2. Types of potential violations by Exchange members include:

2.2.1. Breach of the service agreement or relevant legislative provisions.

2.2.2. Non-compliance with conditions of submitted bids.

2.2.3. Failure to submit bids within specified timelines.

2.2.4. Delays in withdrawing or modifying bids for sales/purchases.

2.2.5. Failure to grant access for trading within prescribed times.

2.2.6. Delays in publishing notices for auctions or trading sessions.

2.2.7. Absence of an assigned trader without prior notification.

2.2.8. Price manipulation during trading.

2.2.9. Failure to sign trading reports or other documents within deadlines.

2.2.10. Submission of inaccurate information about listed commodities or contract obligations.

- 2.2.11. Non-compliance with deadlines for contract registration.
- 2.2.12. Breach of contract obligations on executed trades.
- 2.2.13. Failure to ensure clients fulfill trade-related obligations.
- 2.2.14. Usage of automated systems with query rates exceeding two per second.
- 2.2.15. Late attachment of final reports in auction systems.
- 2.2.16. Failure to provide client documents on time.
- 2.2.17. Breach of the Code of Business Conduct or anti-corruption standards.
- 2.2.18. Late payment of exchange fees, incurring a 0.15% penalty for each day delayed.

3. Procedure for Fines and Penalties

- 3.1. Disciplinary measures are issued in writing upon identification of a violation.
- 3.2. Violations are established by the Exchange, either independently or based on information from the member.
- 3.3. The Exchange may request additional information from the member when deciding on disciplinary measures.
- 3.4. Upon receiving a request, the member must submit the necessary documentation promptly.
- 3.5. For violations under points 2.2.1–2.2.19, the Exchange may issue a warning or fine from 5 to 30 MCI, or suspend trading rights for up to two months.
- 3.6. Suspension or termination of membership may occur in cases of repeated violations within a year of prior sanctions.
 - 3.6.1. violations of the legislation of the Republic of Kazakhstan regulating exchange trading;
 - 3.6.2. violations of the provisions of the ZRK “On Commodity Exchanges”, Exchange Trading Rules and other internal documents of the Exchange, committed repeatedly within one year after the Exchange applied sanctions for the same violations.
 - 3.6.3. If membership on the Exchange is suspended for a certain period, it is automatically renewed upon expiration of this period.
- 3.7. Accreditation suspension or termination follows accreditation instructions approved by the Exchange.
- 3.8. Disciplinary actions consider:
 - 1) Nature of the violation
 - 2) Recurrence of violations
 - 3) Mitigating or aggravating circumstances
- 3.9. Fines must be paid to the Exchange’s account within three business days of notification.
- 3.10. The payment date is considered as the date funds reach the Exchange account.
- 3.11. Transfer fees are borne by the member.
- 3.12. Non-payment of fines may result in denial of trading privileges until settled.
- 3.13. Members under trading suspension cannot participate until the period expires, after which they may resume trading per standard procedures.
- 3.14. Disciplinary action does not exempt the member from fulfilling obligations under executed trades or service agreements.