



On approval of the Rules for the application of limited enforcement measures to a securities market entity

Unofficial translation

Resolution of the Board of the National Bank of the Republic of Kazakhstan of October 29, 2018 No. 252. Registered with the Ministry of Justice of the Republic of Kazakhstan on November 30, 2018 No. 17844.

Footnote. The title - as amended by the Resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated December 12, 2022 No. 110 (shall come into effect ten calendar days after the day of its first official publication).

Unofficial translation

In accordance with the Law of the Republic of Kazakhstan “On the Securities Market”, the Board of the National Bank of the Republic of Kazakhstan **RESOLVES:**

Footnote. Preamble - as amended by the Resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated December 12, 2022 No. 110 (shall come into effect ten calendar days after the day of its first official publication).

1. To approve the attached Rules for the application of limited enforcement measures to a securities market entity.

Footnote. Paragraph 1 - as amended by the Resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated December 12, 2022 No. 110 (shall come into force ten calendar days after the day of its first official publication).

2. To invalidate:

1) Resolution of the Board of the National Bank of the Republic of Kazakhstan № 183 as of July 26, 2013 “On Approval of the Rules for Bringing Limited Enforcement Actions against a Securities Market Participant and (or) a Person with the Signs of a Major Participant , against a Major Participant in the Investment Portfolio Manager” (registered in the Register of State Registration of Regulatory Legal Acts under № 8699, published on October 2, 2013 in the “Yuridicheskaya Gazeta” newspaper № 148 (2523);

2) item 20 of the List of Regulatory Legal Acts of the Republic of Kazakhstan on the securities market to be amended, approved by Resolution of the Board of the National Bank of the Republic of Kazakhstan № 250 as of December 19, 2015 “On Amendments to Certain

Regulatory Legal Acts of the Republic of Kazakhstan on the Securities Market” (registered in the Register of State Registration of Regulatory Legal Acts under № 13001, published in the “Adilet” Information and Legal system on February 12, 2016).

3. In accordance with the procedure established by the legislation of the Republic of Kazakhstan, the Department of Regulation of Non-Bank Financial Institutions (A. M. Kosherbayeva) shall:

1) together with the Legal Department (N.V.Sarsenova) ensure state registration of this resolution with the Ministry of Justice of the Republic of Kazakhstan;

2) within ten calendar days of the state registration of this resolution, send it in Kazakh and Russian to the Republican State Enterprise with the Right of Economic Management “Republican Center of Legal Information” for its official publication and inclusion into the Reference Control Bank of Regulatory Legal Acts of the Republic of Kazakhstan;

3) place this resolution on the official website of the National Bank of the Republic of Kazakhstan after its official publication;

4) within ten working days of the state registration of this resolution, submit information on the implementation of measures, provided for in subparagraphs 2), 3) of this paragraph and paragraph 4 of this resolution, to the Legal Department.

4. Within ten calendar days of the state registration of this resolution, the Directorate of Protection of the Rights of Consumers of Financial Services and External Communications (A.L. Terentyev) shall send its copy to print periodicals for official publication.

5. Control over execution of this resolution shall be entrusted to the Deputy Chairman of the National Bank of the Republic of Kazakhstan, Zh.B. Kurmanov.

6. This resolution shall take effect on January 1, 2019 and be subject to official publication.

Chairman of the National Bank

D.Akishev

Approved by Resolution
№ 252 of the Board of the
National Bank of the
Republic of Kazakhstan
as of October 29, 2018

The Rules for applying limited enforcement measures to a securities market entity

Footnote. Rules - as amended by the resolution of the Board of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market dated December 12, 2022 No. 110 (shall come into effect ten calendar days after the day of its first official publication).

1. These Rules for the application of limited enforcement measures to a securities market entity (hereinafter referred to as the Rules) were developed in accordance with the Law of the Republic of Kazakhstan “On the Securities Market” (hereinafter referred to as the Law) and shall determine the procedure for application by the authorized body for regulation, control

and supervision of the financial market and financial organizations (hereinafter referred to as the Authorized body) of limited measures of influence on the subject of the securities market.

Chapter 1. General provisions

2. The grounds for applying limited enforcement measures to a securities market entity are established by paragraph 1 of Article 3-1 of the Law.

3. The authorized body shall apply limited enforcement measures to a securities market entity, taking into account one or more of the following factors:

1) the level of risk, which is understood as the likelihood of negative consequences in the form of violation of the rights and freedoms of citizens, investors, and security holders, damage to the interests of society and the state as a result of non-fulfilment and (or) improper fulfilment by a securities market entity of the requirements established by the legislation of the Republic Kazakhstan on the securities market and joint stock companies when carrying out their activities;

2) the ability to correct the situation as a result of applying the selected limited measure of influence;

3) the nature of the violation and possible consequences for the securities market entity;

4) frequency and duration of the violation.

Chapter 2. Procedure for applying a written order

4. The authorized body shall give the securities market entity a written order, which contains an instruction to take mandatory corrective measures aimed at eliminating identified violations and (or) causes, as well as the conditions that contributed to their commission, within a specified period, and (or) the need to submit, within a specified period, an action plan to eliminate identified violations and (or) causes, as well as the conditions that contributed to their occurrence (hereinafter referred to as the Action Plan).

5. Corrective measures shall be indicated in a written order and represent mandatory measures to fulfil obligations to security holders and (or) eliminate identified violations.

6. The securities market entity shall notify the authorized body in writing of the execution of the written order within the period established by the written order.

7. If a written order provides for the provision of an Action Plan, the securities market entity, within the period specified in the written order and which is at least 15 (fifteen) working days, shall submit the Action Plan to the authorized body.

8. The Action Plan shall indicate the official of the securities market entity responsible for taking corrective measures and the deadlines for the implementation of measures to eliminate identified violations.

9. The authorized body shall review the submitted Action Plan and, in case of disagreement with the presented Action Plan, send a letter to the securities market entity

containing comments on the Action Plan, which are subject to elimination by the securities market entity.

10. The revised Action Plan shall be submitted to the authorized body within 15 (fifteen) working days after the date of receipt of the letter from the authorized body.

11. The securities market entity shall notify the authorized body in writing about the implementation of the measures specified in the Action Plan no later than 15 (fifteen) working days after the date of their implementation.

12. The action plan for a written order submitted by a securities market entity to the authorized body is subject to signing by the first head of the securities market entity or a person replacing him.

13. The authorized body issues a written warning concerning the securities market entity about the possibility of applying sanctions provided for in paragraph 10 of Article 3-1 of the Law, if the authorized body identifies, within 1 (one) year after issuing this warning, a repeated violation of the norms of the legislation of the Republic of Kazakhstan, similar to the violation for which a written warning was issued.

Chapter 3. Procedure for applying a written agreement

14. The authorized body shall enter into a written agreement with the securities market entity on the need to eliminate identified violations and approve a list of measures to eliminate these violations, indicating the time frame for their elimination and (or) a list of restrictions that the securities market entity assumes until the identified violations are eliminated. The written agreement shall additionally include the obligation of the securities market entity not to take actions that entail a repeated violation of the requirements of the legislation of the Republic of Kazakhstan.

A securities market entity that has signed a written agreement shall assume obligations to fulfil its terms.

15. The written agreement shall be drawn up in 4 (four) copies, 2 (two) copies in the Kazakh and Russian languages, having equal legal force.

4 (four) copies of the written agreement, signed by the authorized body, shall be sent to the address of the securities market entity.

The securities market entity shall sign a written agreement and submit 2 (two) signed copies (1 (one) copy each in Kazakh and Russian languages) to the authorized body within 15 (fifteen) working days after the date of its receipt.

16. The securities market entity, within the period provided for in a written agreement and amounting to at least 15 (fifteen) working days, shall notify the authorized body of the implementation of measures to eliminate violations.

17. The first head of the securities market entity, shall within 5 (five) working days from the date of receipt of the written agreement, bring to the attention of all members of the

executive body and management body of the securities market entity information about the signing of the written agreement.

Chapter 4. Final Provisions

18. If it is not possible to eliminate the violation within the time frame established in the Action Plan, written order or written agreement, for reasons beyond the control of the securities market entity, the deadline for execution of the Action Plan, written order or written agreement shall be extended by the authorized body based on a request from the securities market entity papers

A request for an extension of the period shall be submitted to the authorized body no later than the deadline for execution of the Action Plan, written order or written agreement.

The authorized body shall notify the securities market entity in writing of the date until which the deadline for execution of the Action Plan, written order or written agreement has been extended, or of the refusal to extend the specified period.