

# Central Securities Depository of Kazakhstan: implemented initiatives and plans



2021

## Central Securities Depository JSC (KACD)

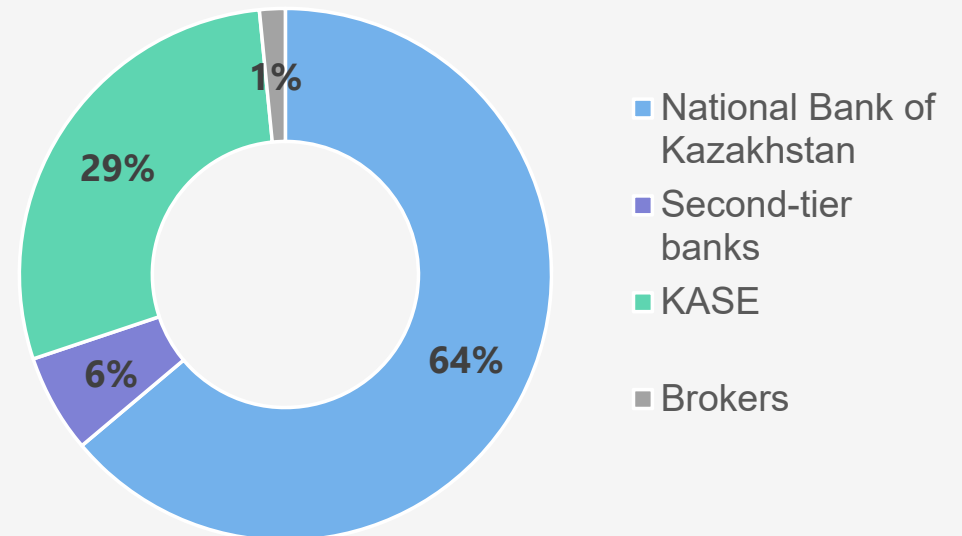
KACD was founded on 18 July 1997 under the name "Central Securities Depository".

KACD is a non-profit organization operating in the legal form of a joint stock company

KACD is the only organization on the territory of the Republic of Kazakhstan that has the right to carry out depository activities and maintain a system of registers of securities holders







On 23 February 2016, Thomas Murray confirmed the KACD rating at **A+**

18 shareholders as of 01.01.2021








## About KACD

- KACD accounts with other organizations:

	Clearstream Banking
	NSD (Russia)
	Euroclear Bank
	RUE "RCSD" (Belarus)
	Central Depository CJSC (Kyrgyz Republic)
	AIX CSD

- Foreign custodian accounts with KACD:

	PJSC "Best Efforts Bank"
	VTB Bank (PJSC)
	AO Raiffeisenbank
	PJSC ROSBANK
	JSC Citibank Kazakhstan

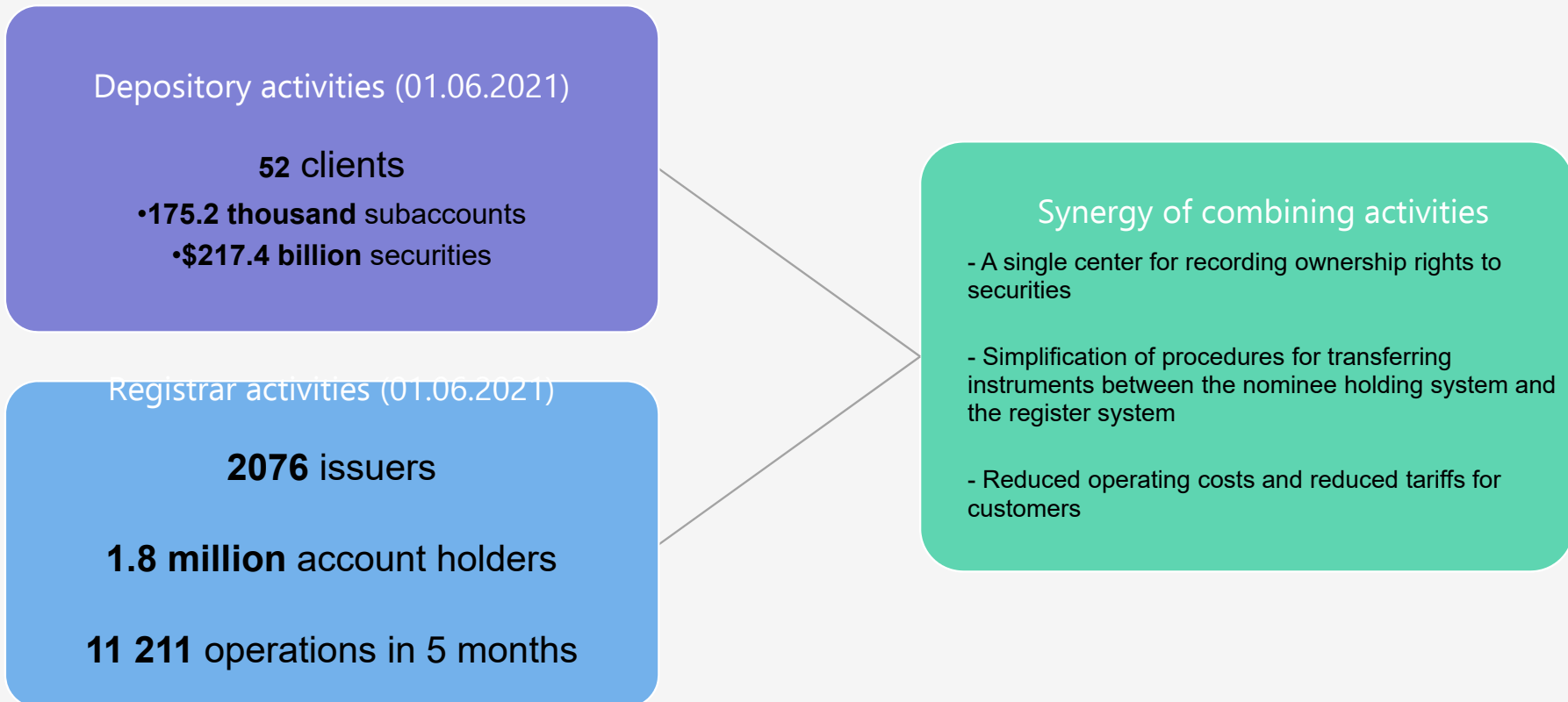
### Depository activities (01.06.2021)

- **52** clients
- **175.2 thousand** subaccounts
- **\$217.4 billion** securities

### Registrar activities (01.06.2021)

- **\$378.3 billion** securities
- **1.7 million** accounts

## Consolidation of registrar and depository activities

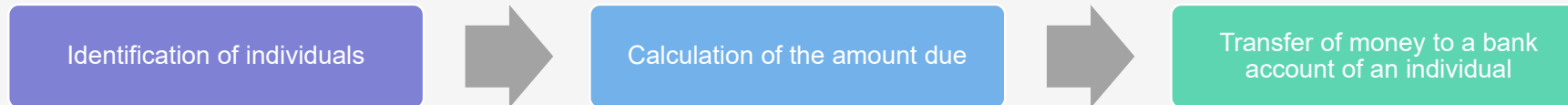


## Accounting of money unclaimed by holders

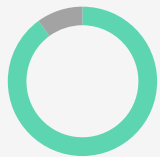
Subject to safekeeping at KACD:

- unpaid dividends for previous periods;
- unpaid instruments related to forced redemptions;
- *unclaimed money related to bond redemption (planned)*
- *unclaimed money related to the liquidation of a joint-stock company (planned)*

Scheme of operation:



Operating results for the period from 2019



11.8 billion tenge

Received from issuers and majority shareholders (~ USD 27.6 million)



3.9 billion tenge

Paid to holders (~ USD 9.2 million)

## Electronic services for retail clients



### Implemented features for retail customers and issuers

Client authentication by means of electronic digital signature

Submission of orders for registrar activities

Exchange of electronic documents with clients

Automation of requests to maintain registers



### Short-term projects

Implementation of biometric identification through face recognition

Implementation of remote business establishment

Integration with government databases



### Medium-term projects

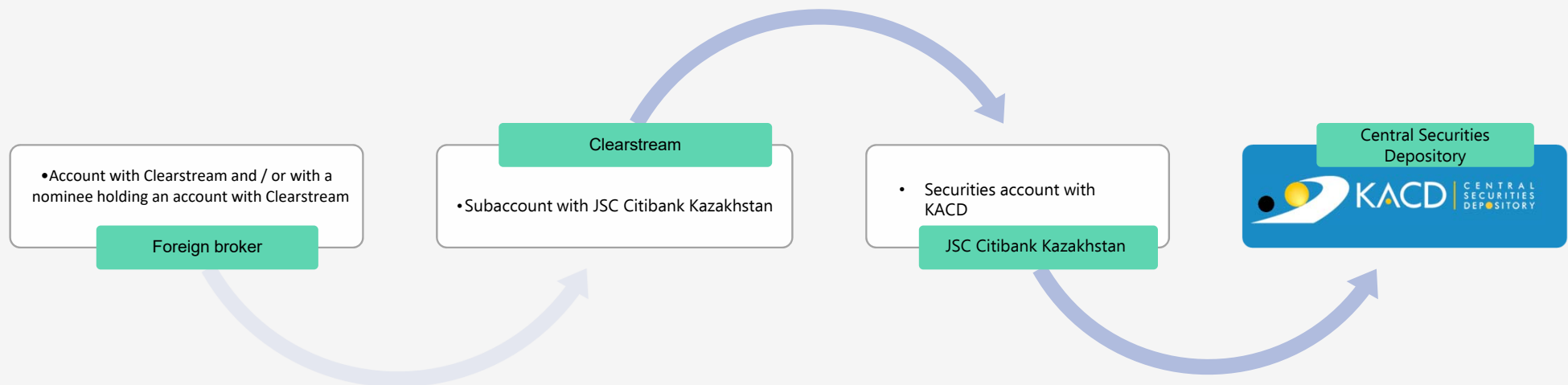
Implementation of banking services for retail investors

Providing access to trading in unlisted securities

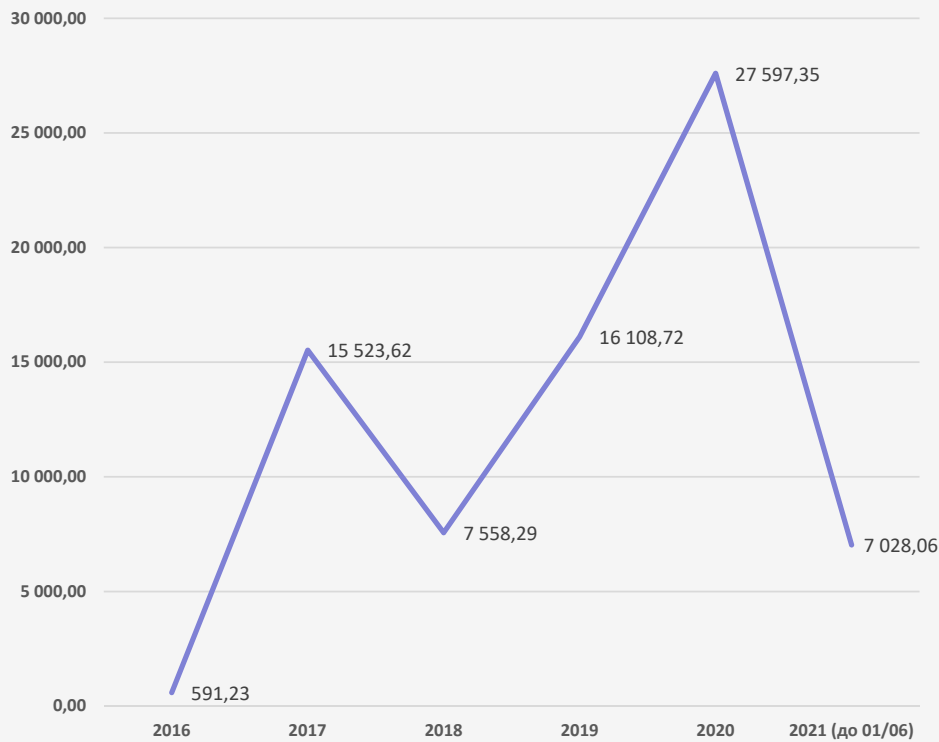
Attracting retail investors to participate electronically in corporate events of issuers

## Access of non-residents to the services of the Central Securities Depository

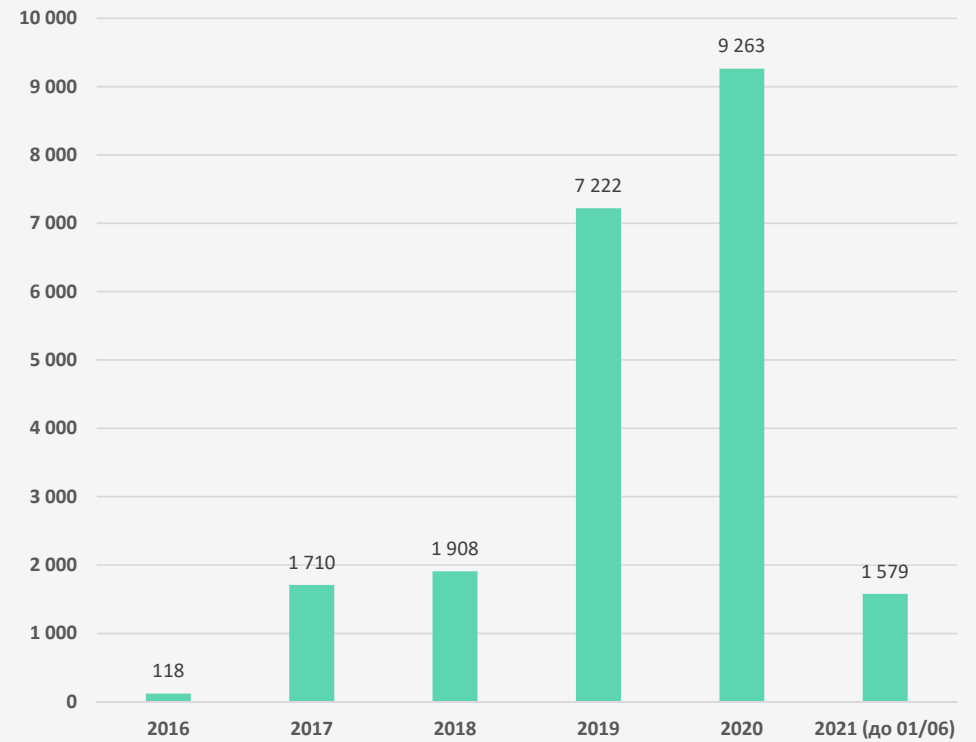
- In 2013, the opportunity to conduct currency transactions, payment of interest and debt in Kazakhstan tenge in the Euroclear and Clearstream systems was implemented.
- In 2018, government securities of the Republic of Kazakhstan were included in the list of securities settled in the Clearstream system. This initiative made it possible to carry out settlements on government securities issued in tenge within the framework of Kazakhstan legislation through Clearstream on the Free of Payment basis.
- In 2020, the international settlement line was upgraded to use the Delivery versus Payment type, which ensured risk mitigation for the parties involved and was in line with the best world practices.



Volume of transactions with government securities of the Republic of Kazakhstan involving non-residents, 2016 - 2021 (USD million)



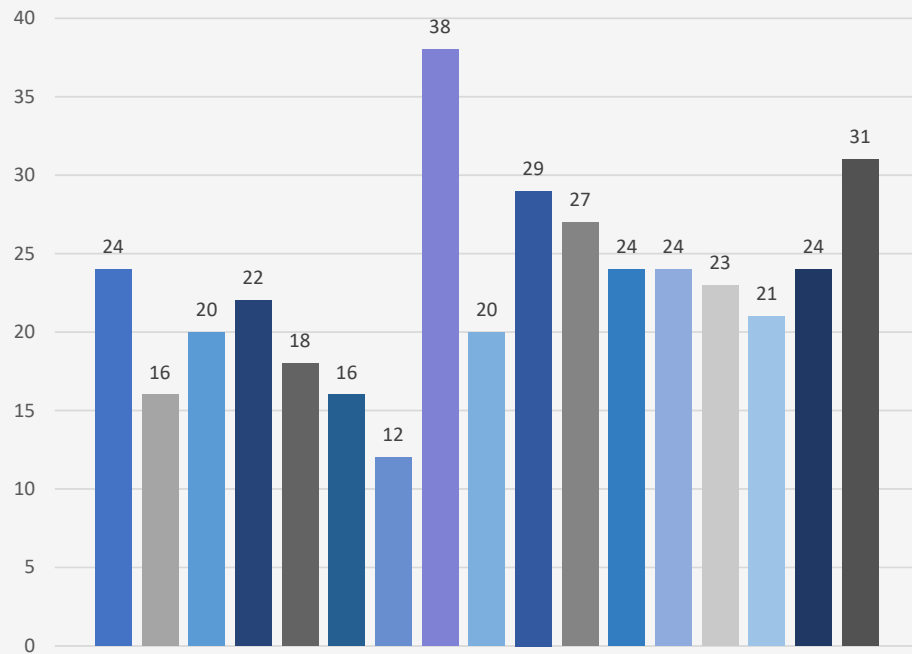
Number of transactions with government securities of the Republic of Kazakhstan involving non-residents, 2016 - 2021



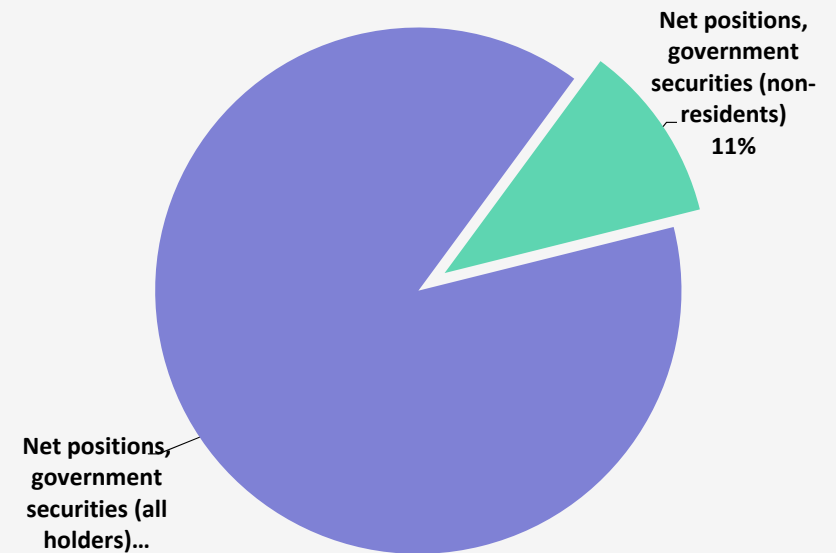


## Presentation for AECSD

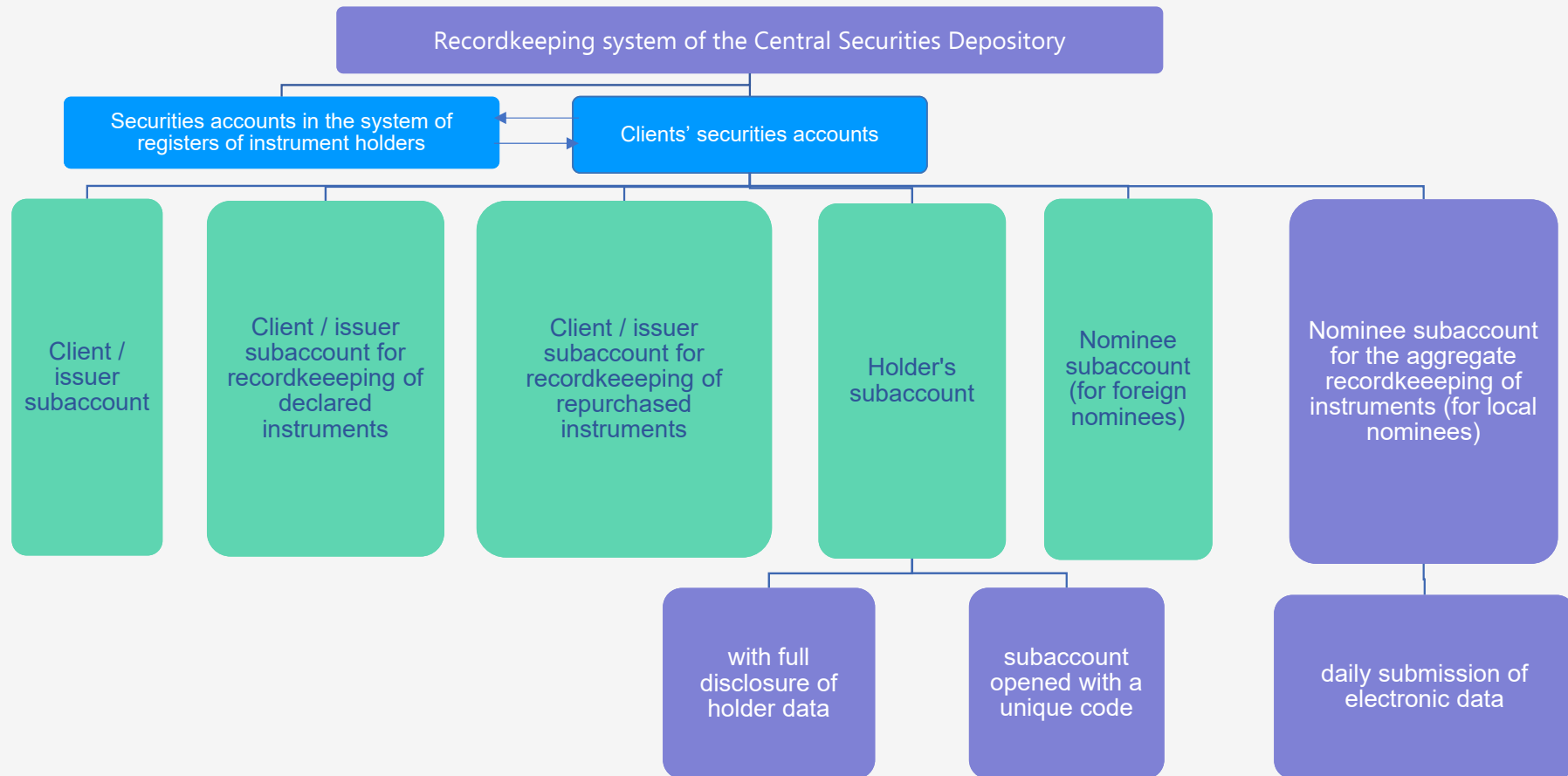
### Number of net transactions per day with government securities of the Republic of Kazakhstan involving non-residents in May 2021



### Percentage of net positions for non-residents in the context of all holders of government securities of the Republic of Kazakhstan in May 2021



# Structure of securities accounts and sub-accounts in the Central Securities Depository



## Exchange operations

In 2021, the Central Securities Depository plans to obtain a license for exchange operations with foreign currency in order to:

Optimize clients' time and expenses on currency conversion when purchasing securities denominated in foreign currency

Facilitate foreign investors' access to securities denominated in foreign currency

Assumed conditions to access exchange operations:

- **Clients:**  
Clients of the CSD
- **Legal basis:**  
Agreement for the provision of conversion services in foreign currency
- **Technical requirements:**  
It is planned to provide direct access to trading on the foreign exchange market of the stock exchange
- **Settlements:**  
Using bank accounts opened with the Central Securities Depository
- **Conditions for concluding transactions:**  
Prepayment