

The Association of Eurasian
Central Securities Depositories

AECSD PROFILE



AECSD
ASSOCIATION OF EURASIAN
CENTRAL SECURITIES DEPOSITORIES

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GENERAL INFORMATION ABOUT THE ASSOCIATION

The Association of Eurasian Central Securities Depositories (AECSD) unites the central depositories of the CIS countries. The Association's mission is to develop and enhance depository operations, to create a common depository environment, and to integrate the central depositories of the CIS countries into a global securities settlement system.

Discussion of the issues of interactions between central depositories of the CIS countries began in 2001 in Tashkent at the international seminar "Integration of Depository Systems as the Basis for Efficient Interaction on International Securities Markets." At the event the professional participants of securities market were able for the first time to get acquainted with the level of development of the settlement systems and stock markets of the neighbor countries and to find ways of future cooperation. At that time many participants of the seminar pointed out the long felt need in establishing the partner relations between organizations, in integrating efforts aimed at improvement and harmonization of securities market legislation and in building efficient interactions between stock markets in general.

Later on, such seminars were held on an annual basis. In 2002 the meetings were held in Almaty, Kazakh-

stan, and Bishkek, Kyrgyzstan, in 2003 the seminar was carried out in Baku, Azerbaijan. At the meetings the representatives of the CIS countries' central depositories were exchanging opinions on key issues. Year by year the scale of the event became larger. The international conference focused on interaction of the CIS countries' central depositories held in Moscow in 2004 represented a new stage in the history of the meetings. The conference revealed that despite difference in levels of development of the stock markets in various CIS countries an issue of market integration was very important, that there was a real interest in harmonization of the countries' legal acts and in establishing of inter-depository relations. The participants of the conference made decision on formation of the Association of Eurasian Central Securities Depositories (AECSD).

On 22 December, 2004 the first (foundation) conference of the AECSD was carried out. It was organized by the Not-for-Profit Partnership "The National Depository Center" (Russia) and Depository Clearing Company CJSC. The conference's goals included signing the resolution on the AECSD establishment, formation of its governing bodies and development of its working programs.

The members of the Association include its founders and other participants joining the Association in compliance with the procedure provided by the Clause 5 of the Resolution.

AECSD FACTBOOK*

TOTAL AREA	21,5 mln sq km
TOTAL GDP	USD 2 617,56 bln
AVERAGE REAL GROWTH RATE	3,25%
TOTAL POPULATION	269,39 mln
AVERAGE UNEMPLOYMENT RATE	6,16%
TOTAL MARKET VALUE OF PUBLICLY TRADED SHARES	USD 907,58 bln
TOTAL EXPORT	USD 793,76 bln
RESERVES OF FOREIGN EXCHANGE AND GOLD	USD 632,77 bln

* as of 31.12.2012

Source: World Bank Databank, Eurasian Development Bank

THE MEMBERS OF THE ASSOCIATION INCLUDE THE FOLLOWING ORGANIZATIONS

	Armenia	Central Depository of Armenia Open Joint-Stock Company
	Azerbaijan	ZAO "The National Depository Center of the Azerbaijan Republic"
	Belarus	Republican unitary entity "Republican Central Securities Depository"
	Georgia	Georgian Central Securities Depository
	Kazakhstan	Joint-Stock Company "Central Securities Depository"
	Kyrgyzstan	Closed Joint-Stock Company "Central Depository" Kyrgyz Republic
	Moldova	National Securities Depository of Republic of Moldova
	Russia	National Settlement Depository (NSD)
	Ukraine	Public Joint-Stock Company "Settlement Center"
	Uzbekistan	PJSC "The National Depository of Ukraine" (NDU)
	Uzbekistan	State enterprise "Central Securities Depository" (UzCSD)

National Depository of the Republic of Uzbekistan "VAQT" joined the Association as an observer at the 5th AECSD conference held in Almaty in October 2008. ROSBANK (OJSC JSCB) joined the Association at the annual general meeting of AECSD members held in Minsk in September 2010 as an observer.

AECSD OBJECTIVES

In accordance with the Resolution the main objective of the Association of Eurasian Central Securities Depositories is establishment of a common "depository environment", including:

- harmonization of the regulatory framework;
- development of an optimal model for the record-keeping system to be used in the securities market of the member countries;
- establishment of depository links among the members to support cross-border securities transactions;
- standardization of the technologies for the depository operation, procedures for depository transaction processing, and rules and regulations governing the depositories' activities;
- adoption of international messaging standards for depository transactions and their use in the national practice;
- development of Electronic Document Interchange (EDI);
- development of harmonized standards for depository recordkeeping and reporting;
- supporting a coordinated process to enable the Association members to integrate into the global depository system.

AECS D'S GOVERNING BODIES

- General Meeting
- Chairman

GENERAL MEETING OF AECS D MEMBERS

The General Meeting of the Association's Members is a primary AECS D's governing body; it is called annually. A Participant of the AECS D acting in the country where the General Meeting is held is an Organizer of the General Meeting. The General Meeting's decisions are made by majority vote of the meeting's Participants. Each Participant has one vote.

GENERAL MEETING'S FUNCTIONS

1. Making decisions obligatory for the AECS D Participants
2. Approval of the AECS D annual activities report
3. Amending of the Resolution
4. Selection of the Organization-AECS D Participant acting as the AECS D Secretariat
5. Formation of the AECS D Working Groups and appointment of the chiefs of the Working Groups
6. Setting of tasks for the AECS D Working Groups
7. Acceptance of the AECS D Working Group's reports and approval/disapproval of the reports
8. Stopping of the AECS D Working Group's activities
9. Discussion of the issuers of the Participants' common interest
10. Setting the venue and date of the AECS D's next AGM
11. Implementation of other appropriate functions corresponding with the AECS D's goals

In 2013 the 10th Annual General Meeting of AECS D members takes place in Nizhny Novgorod (Russia). In 2014 the 11th Annual General Meeting of AECS D members will take place in Baku (Azerbaijan).

More information about previous and oncoming general meetings is available in "The Materials of the General Meetings" Section.

The Chairman of the Association is an executive body of the Association performing ongoing management of the Association in the period between the General Meetings of the Participants of the Association and providing implementation of the Association's goals, Resolution and decisions by the General Meetings.

The Chairman is re-elected annually in accordance

with the AECS D Charter. Eddie Astanin, Chairman of NSD Executive Board, currently occupies the position.

THE CHAIRMAN OF THE ASSOCIATION'S FUNCTIONS

- Management of the Association's activities, coordination of the actions of the Association's Participants
- Provision of organization of coordinating events necessary for preparation of the General Meeting of the Association's Participants, development of the Meeting's agenda
- Chairing the General Meeting
- Signing of the protocol of the General Meeting of the Association's Participants jointly with the Association's Secretary
- Calling for the Extraordinary General Meeting of the Association's Participants
- Provision of the observation of the Resolution
- Coordinating of the Working Groups' activities
- Official representation of the Association, building of the cooperation and partner relations with international and foreign associations on behalf of the Association
- Representation of the Association's interests in its interactions with third parties
- Implementation of other necessary functions in the period between the General Meetings of the Participants of the Association

Recordkeeping is being held by the Association's Secretariat (NSD, the Russian Federation), a Participant of the Association selected and approved by the General Meetings of the Participants of the Association.

THE ASSOCIATION COMPRISES FIVE WORKING GROUPS

1. Depository Links Working Group
2. CSD Legal Issues Working Group
3. Development of Electronic Messaging Standards Working Group
4. Administration of the Association's Website
5. CSD12 Steering Committee

The Depository Links Working Group has prepared a number of unique working materials related to the AECS D Participants' activities:

- Central depositories' functions (AECS D recommendations);

- Correspondent depository accounts of non-residents in AECSD member depositories (2009, third version);
- Clearing activities in the member countries (2009, second version, brief review);
- Participation of member depositories in the issuers' corporate actions (2009).

The data on AECSD members' correspondent relations is represented in the Table 1 (page 9).

AECSD takes a proactive part in the regular meetings of the representatives of all central depositories' associations, in international forums such as SIBOS, in order to exchange experience and opinions, to coordinate industry initiatives, and to form its position in a dialog with regulators and other organizations coordinating development of the financial market and its infrastructure all over the world.

THE ROLE OF CSDs AS MARKET INFRASTRUCTURES

A Central Securities Depository (CSD) is an entity which provides a central point for depositing financial instruments (securities) such as bonds and shares. CSDs' clients are financial institutions (custodian banks and brokers), rather than individual investors.

CSDs typically perform three main functions:

ISSUANCE

CSDs constitute the first entry point for newly issued securities. Following the creation of new securities by issuers, they record the initial deposit. They typically also act as guardians of the integrity of the issue, making sure that at any point in time the number of securities initially created equals the total number of securities in circulation.

SETTLEMENT

CSDs operate technical platforms allowing for the settlement of securities transactions. In practice they reduce risk for the buyer and the seller of securities by offering simultaneous "delivery versus payment" (DvP), so that the cash is only paid to the seller once the securities are delivered to the buyer.

SAFEKEEPING

CSDs also provide securities accounts to their participants and manage the rights and obligations linked to securities holdings. For example, they process dividend and interest payments based on the information received from the issuer.

KEY DEVELOPMENTS ON THE CIS MARKET IN 2012

ARMENIA

- Developing the mechanism of trading in corporate bonds in foreign currency

AZERBAIJAN

- Introduction & implementation of electronic services
- Developing the infrastructure for electronic payments
- Launch of the project aimed at bringing institutional and regulatory base up to the EU standards
- Modernization of capital markets

BELARUS

- Placement of 2 government bond issues in foreign currency for individuals

KAZAKHSTAN

- Settlement of trades with international financial instruments via Euroclear Bank S.A./N.V.
- "People's IPO" program implemented
- Registers maintained by the Integrated Securities Registrar

UKRAINE

- Adoption of the Law "On depository system in Ukraine" (aimed at rebuilding depository, settlement and clearing systems, creating a CSD)
- AUSD was granted approval from the National Bank to establish a single center for settlement

RUSSIA

- Merger of MICEX and RTS is completed. Acquisition of Depository Clearing Company by National Settlement Depository
- Federal law "On central securities depository" is adopted
- NSD receives status of Central Securities Depository

TABLE 1 AECSD MEMBERS' CORRESPONDENT RELATIONS

COUNTRY	CLIENT DEPOSITORY	CDA	NDC OF AZERBAIJAN	RUE RCSD	GEORGIAN CSD	KASD	CD	NSD OF MOLDOVA	NSD	UzCSD	NDU	SETTLEMENT CENTER, FORMER AUSD
 Armenia	CDA	✓	-	-	-	✓	-	-	-	-	-	-
 Azerbaijan	NDC of Azerbaijan	-	✓	-	-	-	-	-	-	-	-	-
 Belarus	RUE RCSD	-	-	✓	-	-	-	-	✓	-	-	-
 Georgia	Georgian CSD	-	-	-	✓	-	-	-	-	-	-	-
 Kazakhstan	KASD	-	-	-	-	✓	✓	-	✓	-	-	-
 Kyrgyzstan	CD	-	-	-	-	✓	✓	-	-	-	-	-
 Moldova	NSD of Moldova	-	-	-	-	-	-	✓	-	-	-	-
 Russia	NSD	✓	✓	✓	-	✓	✓	-	✓	-	✓	-
 Uzbekistan	UzCSD	-	-	-	-	-	-	-	-	✓	-	-
 Ukraine	NDU	-	-	✓	-	-	-	-	✓	-	✓	✓
	Settlement Center, former AUSD	-	-	-	-	-	-	-	-	-	✓	✓



KEY MARKET FIGURES*

- Market Capitalization: USD 176 mln
- Average Daily Trading turnover: USD 51,000
- Listed Companies: 14
- Country's Ratings:
 - Ba2, negative outlook (Moody's)
 - BB- (Fitch)

MAJOR MARKET PARTICIPANTS (INFRASTRUCTURE)

- Regulators: Central bank of Armenia, www.cba.am
- Self-regulated organizations: There are no self-regulated organizations
- Stock Exchange: "NASDAQ OMX Armenia" OJSC, www.nasdaqomx.am
- The functions of a centralized custodian, centralized registry and settlement system operator of securities performs Central Depository: "Central Depository of Armenia" OJSC, www.nasdaqomx.am

MARKET SPECIFICS

- Time zone:
 - GMT + 4h
- Local currencies:
 - Armenian Dram (AMD)
- Number system:
 - ISIN, local registration number

All Armenian equity and debt securities are issued in dematerialized form and are held by "Central Depository of Armenia" OJSC if there is an appropriate custodial service contract between Depository and the client.

SETTLEMENT CYCLES

- Stocks
 - Exchange trades – T+0 (net)
 - Over The Counter trades – T+n (Both gross and net)
- Bonds
 - Exchange trades – T+0 (net)
 - Over The Counter trades – T+n (Both gross and net)

MARKET CUT-OFF TIMES

- Pre-open session: 10.50 a.m. – 10.59 a.m. (Except Overnight and FX trading platforms)
- Auction: 11.00 a.m. – 3.00 p.m.
- Post-trade (closing session): 3.00 p.m. – 3.05 p.m.
- Credit market:
 - Auction: 11.00 a.m. – 1.00 p.m.
 - Post-trade (closing session): 1.00 p.m. – 1.10 p.m.

INVESTOR DISCLOSURE REQUIREMENTS

- Shares traded on stock exchange: 5%, 10%, 20%, 50%, 75% and more
- Shares of financial institutions: 10% and more
- All companies: 100%

NOMINEE CONCEPT

The custodian system of corporate securities in the RA is two-level. The Central Depository acts as the first level (centralized custodian), while the custodians act as the second level. Nominee accounts in the Central Depository can be opened both for resident and non-resident custodians.

The custodian system of government bonds slightly differs from corporate bonds custodian system. Central Bank of Armenia acts as first level custodian for government bonds in this system. The Armenian law prohibits non-resident institutions to act as sub-custodians for government bonds.

CORPORATE EVENTS

- All corporate actions entitlements are based on the settled position as of the record date.
- There is no ex-date concept.
- Information on corporate events can be made mass available by the CSD on demand of company, but for the listed companies publication of corporate events is obligated.
- For corporate event with a record date the issuer acquires the register of shareholders for such a date via its registrar. The registrar then requests nominee holders to disclose final beneficial owners to determine the full list of shareholders.

* of 30.06.2013

PROXY VOTING

The shareholders can exercise their voting right by proxy voting except the AGM and other meetings settled by the law.

TAXATION

INCOME TAX:

- Withholding tax on interest income is 10% both for resident and foreign individual investors.
- There is no withholding tax on dividend income and interest income on government bonds both for resident and foreign individual investors.
- There is no capital gains tax both for resident and foreign individual investors.

PROFIT TAX:

- There is no withholding tax on dividend income for residents (legal entities).
- Withholding tax for foreign investors (legal entities) on dividend income is 10%.
- Government bonds and corporate bonds are taxed at 20% for residents (legal entities) and 10% for foreign investors (legal entities).
- There is no capital gains tax for residents (legal entities).
- Realized capital gains tax is 10% for foreign investors (legal entities).

In order to benefit from tax rates as provided by the DTT, foreign investors have to provide a tax certificate (certificate of residence) confirming their tax residency to the Armenian tax agent for the current year.



KEY MARKET FIGURES*

- Market Capitalization: USD 11.36 bln**
- Average Daily Trading turnover: USD 3.39 mln
- Number of Listed Companies: 1
And number of traded companies 700
- Country's Ratings:
 - BBB- (S&P)
 - Baa3 (Moody's)
- Depository Rating:
 - BBB (Thomas Murrey)

MAJOR MARKET PARTICIPANTS (INFRASTRUCTURE)

- Regulators: State Committee of Securities, www.scs.gov.az
- Self-Regulated organizations: none
- Stock Exchange: Baku Stock Exchange, www.bfb.az
- Settlement Depositories: National Depository Center (NDC), www.mdm.az
- Clearing House: National Depository Center (NDC), www.mdm.az
- Registrars: National Depository Center (NDC), www.mdm.az, Corporate Trust Agency LLC

MARKET SPECIFICS

- Time zone:
 - UTC: +4h (in winter)
 - UTC: +5h (in summer)
- Local currencies: Manat (AZN)
- Number system: ISIN

SETTLEMENT CYCLES

- Stocks
 - T+0 (on exchange transactions)
- Bonds
 - T+0 (on exchange transactions)

MARKET CUT-OFF TIMES

- OTC FoP NSD: 10:00 a.m. – 5:00 p.m.
- OTC DVP NSD: 10:00 a.m. – 5:00 p.m.

INVESTOR DISCLOSURE REQUIREMENTS

- Normal shares: 10 % and more
- Banks: More than 10%
- Strategic companies: none

* of 30.06.2013 ** of 04.09.2013

NOMINEE CONCEPT

Beneficial ownership structure and full segregation at CSD level.

CORPORATE EVENTS

Conducting of meetings, issuing (paying) of dividends, rights issue, secondary public offering, consolidation, conversion and splitting of securities.

PROXY VOTING

The personal presence or presence of the representative with the power of attorney is required.

TAXATION

- **For investors:** 10% from dividends and interest income.
- **For Service providers:** provision of financial services is exempted from VAT. Financial service is any transaction connected with the circulation of shares, bonds, certificates, bills, checks or other securities. Services on safekeeping of bills, securities and other valuables are not qualified as financial services.



KEY MARKET FIGURES*

- Market capitalization: USD 29.9 billion
- Daily average volume of on-exchange transactions: USD 17.5 million
- Number of listed companies: 66
- Country ratings:
 - B- (S&P)
 - B3 (Moody's)

MAJOR MARKET PARTICIPANTS (INFRASTRUCTURE)

- Regulators: the National Bank of the Republic of Belarus (payment system, stock exchange's settlement bank), and the Ministry of Finance of the Republic of Belarus (stock market regulator, acting through its Securities Department)
- Self-regulatory organizations: NO; there is the Association of Securities Market Participants
- Stock exchange: OJSC Belarus Currency-Stock Exchange
- Settlement depositories: the Republican Unitary Enterprise "Republican Central Securities Depository" (RUE RCSD) (stock exchange's settlement depository)
- Clearing (settlement) house: NO
- Registrars: NO; there is a two-level depository system, which includes the central securities depository and 33 sub-depositories

MARKET SPECIFICS

- Time zone:
 - GMT + 2 hours
- National currency: Belarusian ruble (BYR)
- Numbering system. Securities issues are assigned an identification number in accordance with the rules approved by the CSD. An identification number is required for a securities issue to be accepted for centralized safekeeping and is assigned by the CSD at the moment the securities issue is accepted for centralized safekeeping in the depository system.
RUE RCSD is the National Numbering Agency for the Republic of Belarus. ISINs and CFIs are assigned on a voluntary basis upon an interested party's request.

SETTLEMENT CYCLES

- Stock exchange
 - T+0, T+n, NS, S-REPO
- OTC market
 - T+n

MARKET CUT-OFF TIMES

Settlement periods on the stock exchange start after each trading session. There are 3 trading sessions during a trading day.

- First settlement period: from 10.10 a.m. to 10.30 a.m.
- Second settlement period: from 12.30 p.m. to 1.00 p.m.
- Third settlement period: from 3.55 p.m. to 5.00 p.m.

INVESTOR DISCLOSURE REQUIREMENTS

An owner of a large stake in a company (5% of the company's share capital) is required to disclose its shareholding to the Securities Department, the stock exchange (if the company is listed on the stock exchange), and the company itself within five business days following the date when the shares are credited to the owner's securities account, or within thirty calendar days following the date when relevant changes are made in the Public Register of Securities upon reduction of the number of shares in the company. Similar requirements apply where the owner of a large stake in the company has acquired each further five per cent (5%) of ordinary shares in the company.

NOMINEE CONCEPT

There is no concept of a "nominee" in the Belarusian law. The Republic of Belarus has a two-level depository system, with sub-depositories holding correspondent LORO securities accounts with the CSD. Such accounts are being used to hold securities (in aggregate, broken down by issue) rights to which are recorded in owner's securities accounts held with the relevant sub-depositories.

* of 30.06.2013

CORPORATE EVENTS

- The Law on Depository Activities defines a register of securities owners as a set of data concerning owners of the same-type securities issued by a particular issuer, as kept by a professional market participant authorized to keep a register under an agreement entered into with the issuer.
- In accordance with the law, a register is kept by an issuer's depository on the basis of information concerning the status of securities accounts held with the issuer's depository and/or other depositories that record rights to securities issued by the issuer.
- Registers of bond owners are drawn up for the purpose of principal and income payment as at the dates prescribed by the prospectus and the resolution to issue such bonds.
- A list of shareholders entitled to receive dividends is drawn up on the basis of the same register of shareholders that was used to draw up a list of persons entitled to attend the general meeting of shareholders at which the resolution to pay such dividends was passed.
- A list of persons entitled to attend a general meeting of shareholders is drawn up on the basis of the data recorded in the register of shareholders as at the date determined by a company's authorized management body.
- As there is no concept of a "nominee" in the Belarusian law, a non-resident may only be included on the list either as a securities owner or as a person holding securities under an agreement (e.g. as a pledgee).

PROXY VOTING

A shareholder may vote either in person, by personally attending an annual general meeting of shareholders, or through a proxy acting under a notarized power of attorney.

In addition, a trustee holding assets in trust may take any legal and practical steps with respect to such assets on behalf of the trust settlor or beneficiaries in accordance with the trust agreement. Where the form and type of trust provides that a shareholder's rights, including the right to attend general meetings of shareholders with the right to vote on any matters reserved to the general meeting (if the shareholder is a holder of ordinary shares), or with the right to vote (if the shareholder is a holder of preferred shares), the right to vote at general meetings of shareholders may be delegated to the trustee.

TAXATION

- Income tax is imposed on gross profit from transactions with securities, as well as dividends and equivalent income accrued by Belarusian organizations.
- The following are not treated as dividends: payments made to an organization's member upon liquidation of the organization or member's withdrawal from the organization, provided that the amount paid does not exceed the member's contribution to the organization's share capital; and distributions made to an organization's members (shareholders) in the form of shares (units) in the organization, or in the form of an increase in the nominal value of a share (unit), provided that such distributions are made by the organization using its own resources, and further provided that such distributions do not result in a change in any of the members' (shareholders') interest in the organization's share capital, or a change in such interest is less than 0.01%.
- The income tax rate is 18%. The rate decreased by 50% applies to profits from the sale of all or some of the shares (units) in an organization domiciled in the Republic of Belarus. The income tax rate applicable to dividends is 12%.
- The income tax rate applicable to foreign organizations that do not operate in the Republic of Belarus through a permanent establishment is 10% (for income on securities the terms and conditions of issuance of which provide for the payment of income in the form of interest (discount)), or 12% (for dividends or equivalent income).
- The individual income tax rate applicable to dividends is 12%.



KEY MARKET FIGURES*

- Market Capitalization: over USD 1 bln
- Average Daily Trading turnover: USD 1,300
- Number of Listed Companies: 133
- Country’s Ratings:
 - BB (S&P)
 - Ba3 (Moody’s)
- Depository Rating:
 - BB (Thomas Murray)

MAJOR MARKET PARTICIPANTS (INFRASTRUCTURE)

- Regulators: National Bank of Georgia, www.nbg.gov.ge
- Self-Regulated organizations: GSE, GCSD.
- Stock Exchange: Georgian Stock Exchange (GSE), www.gse.ge
- Settlement Depositories: Georgian Central Securities Depository (GCSD), www.gcsd.ge
- Registrars: 4 registrars

MARKET SPECIFICS

- Time zone:
 - GMT +3h (in winter)
 - GMT +3h (in summer)
- Local currencies: Lari (GEL)
- Number system: ISIN, local registration number
- All Georgian equities are issued in dematerialized registered form and are held by independent licensed companies, registrars.

SETTLEMENT CYCLES

- Stocks
 - T+0
- Bonds
 - T+0

NOMINEE CONCEPT

Nominee accounts can be opened in the name of licensed (in any countries) brokerage companies, banks, custodians or depositories.

CORPORATE EVENTS

- All corporate actions entitlements are based on the settled position as of the record date.
- There is no ex-date concept.
- There is no single source of corporate action information. Information on corporate events is available in mass media, at the web sites of the issuers, registrars, CSD and other sources such as databases of information agencies, etc.
- For corporate event that requires a record date the issuer acquires the register of shareholders for such a date via its registrar. The registrar then requests nominee holders to disclose final beneficial owners to determine the full list of shareholders.

PROXY VOTING

The shareholder can exercise their voting rights by attending the AGM personally.

TAXATION

- Residents and nonresidents taxed similar
- State and corporate bonds are taxed at 20%
- Withholding tax for investors on interest income and on dividend income is 5%
- Capital gains tax is 15%

* of 30.06.2013



KEY MARKET FIGURES*

- Market Capitalization: USD 31.2 bln
- Average Daily Trading turnover: USD 902.6 mln
- Listed Companies: 78
- Country's Ratings:
 - BBB+ (Fitch)
 - Baa2 (Moody's)
 - BBB+ (S&P)
- Depository Rating:
 - A (Thomas Murray)

MAJOR MARKET PARTICIPANTS (INFRASTRUCTURE)

- Regulators: The National Bank of Kazakhstan
- Stock Exchange: Kazakhstan Stock Exchange, www.kase.kz
- Settlement Depositories: Central Securities Depository
- Clearing House: n/a
- Registrars: The Integrated Securities Registrar

MARKET SPECIFICS

- Time zone: GMT + 6h
- Local currencies: Tenge (KZT)
- Number system: National identification number

SETTLEMENT CYCLES

- Stocks
 - T+0
- Bonds
 - T+0

MARKET CUT-OFF TIMES

OTC: FoP: 9.30 a.m. – 18.30 p.m.

OTC: DVP: 9.30 a.m. – 17.30 p.m.

INVESTOR DISCLOSURE REQUIREMENTS

According to the legislation of the Republic of Kazakhstan at acquisition of ten or more percent placed (minus exclusive and redeemed by society) bank or the insurance (reinsurance) company shares, the physical or legal entity has to receive a consent of authorized body (National Bank of the Republic of Kazakhstan) to receiving the status of the large participant of the relevant organization. For receiving

a consent the person, wishing to become the large participant of bank or insurance (reinsurance) company, is obliged to present to authorized body the statement for acquisition of the status of the large participant of bank with attached documents and the data determined by the legislation of the Republic of Kazakhstan.

Beside that, the person independently or in common with the affiliated persons, having intention to get on secondary securities market thirty or more percent of voting shares of joint-stock company or other number of voting shares, who in result of such acquisition will belong thirty or more percent of voting shares of joint-stock company, is obliged to send the notice of it to this joint-stock company and to authorized body. The notice has to contain information about number of the acquired shares, the estimated buying price and other information determined by regulations of authorized body.

In the other cases the duty of disclosure of information on the transaction is assigned to the issuer. For example, the issuer is obliged to open information before authorized body and shareholders of securities about change of structure of the shareholders owning ten and more percent of its voting shares.

NOMINEE CONCEPT

CSD opens securities accounts on the name of:

- professional participants of securities market of the Republic of Kazakhstan, who are nominee holders for securities (custodians or brokers who have the right to maintain clients' accounts as nominee holders);
- organizations, that implement dealer activity based on the license of authorized body or according to the legislation of the Republic of Kazakhstan;
- National Bank of the Republic of Kazakhstan (if it doesn't under the effect of two above subitems);
- foreign depositories;
- foreign custodians.

* of 30.06.2013

CORPORATE EVENTS

- Information on corporate events is available in mass media, at the web sites of the Kazakhstan stock exchange and The Depository of financial statements.
- For corporate event that requires a record date the issuer acquires the register of shareholders for such a date via The Integrated Securities Registrar.

PROXY VOTING

The shareholder can exercise their voting rights: by attending the AGM personally or by proxy.

TAXATION

- State bonds and municipal bonds aren't taxed.
- Withholding tax for foreign investors on interest income and dividend income is 15% for shares.
- Foreign investors have the right to use DTT regulations In order to benefit from tax rates as provided by the DTT.



KEY MARKET FIGURES*

- Market capitalization: USD 110.7 mln (for listed companies)
- Daily average volume of transactions: USD 57,912.67 (for listed companies)
- Number of listed companies: 19

MAJOR MARKET PARTICIPANTS (INFRASTRUCTURE)

- Regulators: the State Service for the Financial Market Regulation and Supervision, the Government of the Kyrgyz Republic, www.fsa.kg; the National Bank of Kyrgyzstan, www.nbkr.kg
- Self-regulatory organizations: there are no self-regulatory organizations acting as securities market participants in Kyrgyzstan
- Stock exchanges: Kyrgyz Stock Exchange, www.kse.kg
- Depositories: Central Depository of the Kyrgyz Republic CJSC, www.cd.kg
- Clearing houses: Central Depository of the Kyrgyz Republic CJSC acts as a clearing house
- Registrars: 19 companies

MARKET SPECIFICS

- Time zone: VTC/GMT + 6 hours
- National currency: Kyrgyz som (KGS)
- Identification system (ISIN or local): local, registration number – Kg

SETTLEMENT CYCLE

- Shares
 - T+0: T+3
- Bonds
 - T+0: T+3

MARKET CUT-OFF TIMES

- OTC FoP NSD: 10.30 a.m. – 3.00 p.m. (trading session)
- OTC FoP NSD: 3.00 p.m. – 5.00 p.m. (trade data processing by the depository)

INVESTOR DISCLOSURE REQUIREMENTS

A shareholder holding at least 5% in a strategically important company (open joint-stock company) is required to disclose such shareholding.

NOMINEE CONCEPT

- The central securities depository holds its clients' securities as a nominee under agreements entered into with such clients.
- The central securities depository transfers securities to and from securities accounts; registers transfers of rights to securities as a result of trades; acts as a paying agent; and keeps separate records of securities owned by its clients and clients' customers.

CORPORATE EVENTS

- The central securities depository gives notice of annual or extraordinary general meetings of shareholders to issuers (whose shares are held by the CSD acting as a nominee).
- The central securities depository sends written notifications (in electronic format and by mail) of the time, place, and form of general meetings.
- Independent registrars request nominees to disclose ultimate owners for the purpose of drawing up a full list of shareholders.

PROXY VOTING

- A shareholder may attend general meetings of shareholders and has the number of votes equal to the number of shares held by the shareholder. A shareholder may also vote through a proxy acting under a power of attorney issued by the shareholder.
- The central securities depository acts as a nominee holder of securities and may not attend general meetings of shareholders, unless a CSD's client issues a power of attorney in the form approved by the Kyrgyz laws to authorize the CSD to represent the client at such general meetings.

TAXATION

- The tax rate on income from government or municipal bonds is 10% (for residents) or 0% (for foreign investors).
- For non-residents, the income tax rate applicable to interest income is 20%, and the income tax rate applicable to dividend income is 10%.
- Interest and capital gain on securities listed, as at the sale date, on a stock exchange in the highest or next-to-the-highest listing category are exempt from the income tax.

* of 30.06.2013



KEY MARKET FIGURES*

- Market Capitalization: over USD 1 trln
- Average Daily Trading turnover: USD 12 bln
- Number of Listed Companies: 650
- Country's Ratings:
 - BBB (S&P)
 - Baa1 (Moody's)
- Depository Rating:
 - AA- (Thomas Murray)

MAJOR MARKET PARTICIPANTS (INFRASTRUCTURE)

- Regulators: Central Bank of Russia, www.cbr.ru
- Self-Regulated organizations: NAUFOR, NFA, NLU
- Stock Exchange: Moscow Exchange, www.moex.ru
- Settlement Depositories: National Settlement Depository (NSD), www.nsd.ru
- Clearing House: National Clearing Center (NCC), www.nkcbank.com
- Registrars: 39 registrars

MARKET SPECIFICS

- Time zone:
 - GMT +4h
- Local currencies: Ruble (RUB)
- Number system: ISIN, local registration number
- All Russian equities are issued in dematerialized registered form and are held by independent licensed companies, registrars. Russian debt securities are held in global certificate form.

SETTLEMENT CYCLES

- Stocks
 - T+2 On-exchange
 - T+n OTC
- Bonds
 - T+0, T+2 On-exchange
 - T+n OTC

MARKET CUT-OFF TIMES

- OTC FoP NSD: 9.00 a.m. – 8.00 p.m.
- OTC DVP NSD: 9.00 a.m. – 8.00 p.m.

INVESTOR DISCLOSURE REQUIREMENTS

- Normal shares: 5%, 10%, 15%, 20%, 25%, 30%, 50%, 75%
- Banks: 1%
- Strategic companies: 5%

NOMINEE CONCEPT

Starting from July 1, 2012 eligible foreign institutions are allowed to establish foreign nominee accounts, foreign authorized holder accounts and depository program accounts in accordance with applicable procedures.

CORPORATE EVENTS

- All corporate actions entitlements are based on the settled position as of the record date.
- There is no ex-date concept.
- There is no single source of corporate action information. Information on corporate events is available in mass media, at the web sites of the issuers, registrars, CSD and other sources such as databases of information agencies, etc.
- For corporate event that requires a record date the issuer acquires the register of shareholders for such a date via its registrar. The registrar then requests nominee holders to disclose final beneficial owners to determine the full list of shareholders.

PROXY VOTING

The shareholder can exercise their voting rights: by attending the AGM personally or by proxy (POA is required) or by posting the voting bulletin (only issuers which have more than 1000 shareholders as of record date).

TAXATION

- Government bonds, sub-federal and municipal bonds are taxed at 15% for residents (legal entities), and 0% for foreign investors and Russian individuals.
- Withholding tax for foreign investors on corporate bonds interest income is 20% for foreign legal entities and 30% for foreign individuals; on dividend income tax rate 15% for foreign investors.
- Capital gains tax is 20%, except for listed equities of Russian issuers over 50% of whose assets consist of immovable property situated on the territory of the Russia.
- In order to benefit from tax rates as provided by the dual avoidance agreement (DTT), foreign investors have to provide a tax certificate (certificate of residence) confirming their tax residency to the Russian tax agent for the current year. DTT agreement is signed with 86 countries.

* of 30.06.2013



KEY MARKET FIGURES*

- Market Capitalization: USD 3,8 bln
- Average Daily Trading turnover: over USD 200 mln
- Listed Companies: 175
- Country's Ratings:
 - B (S&P)
 - B (Fitch)

MAJOR MARKET PARTICIPANTS (INFRASTRUCTURE)

- Regulators: National Securities and Stock Market Commission (NSSMC)
- Self-regulated organizations: Association of Ukrainian Stock Traders (AUST), Professional Association of Registrars and Depositories (PARD), The Ukrainian Association of Investment Business (UAIB)
- Stock Exchange: there are 10 stock exchanges in Ukraine
 - Perspektyva Stock Exchange
 - Ukrainian Exchange
 - Ukrainian International Stock Exchange
 - Kyiv International Stock Exchange
 - PFTS Stock Exchange
 - Pridneprovsk Stock Exchange
 - East-European Stock Exchange
 - Ukrainian Stock Exchange
 - "Innex" Stock Exchange
 - Ukrainian Interbank Currency Exchange
- Settlement Depositories: National Depository of Ukraine, Settlement Center. Starting from October 12, 2013, National Depository of Ukraine will be the only functioning depository in Ukraine (Ukrainian CSD).
- Clearing House: Starting from October 12, 2013, clearing functions will be exercised by Settlement Center. Though, other clearing institutions can be established as well.
- Registrars: On October 12, 2013, all registrars will be deprived of their licenses. From then on professional participants of the depository system will be: CSD and depository institutions.

MARKET SPECIFICS

- Time zone:
 - GMT +2h (in winter)
 - GMT +3h (in summer)
- Local currencies: Hryvnia (UAH)
- Number system: ISIN, local registration number

SETTLEMENT CYCLES

- Stocks
 - T+0 (assets preblocking) , T+3 (standard), T+n (depends on terms of a contract)
- Bonds
 - T+0 (assets preblocking) , T+3 (standard), T+n (depends on terms of a contract)

MARKET CUT-OFF TIMES

- OTC FoP NDU: 5.30 p.m. (4.30 p.m. Friday / day before holiday)
- On-exchange DVP NDU: 4.30 p.m. (3.30 p.m. Friday/ day before holiday)

INVESTOR DISCLOSURE REQUIREMENTS

Issuers are obliged to disclose information on shareholders owning 10% and more of the company's equities.

NOMINEE CONCEPT

There is a two-level depository system in Ukraine, which means that CSD (NDU) opens & maintains nominee securities accounts in the name of licensed Ukrainian custodians. Custodians, in their turn, open and maintain securities accounts in the name of beneficial owners. Custodians open securities accounts with CSD to jointly keep in custody custodians' own and clients' assets.

CSD also opens nominee securities accounts in the name of correspondent depositories. The securities credited to the foreign depository's 'nominee account' opened with CSD belong to clients of the nominee account holder; the nominee account holder is obliged to maintain accounts on his own books in respect of the securities credited to the nominee account. The nominee account holder keeps records of the securities according to legislation of the country, where it is doing business.

* of 30.06.2013

CORPORATE EVENTS

According to Ukrainian legal and regulatory acts, an issuer is obliged to make information on its upcoming corporate events publicly available by publishing information in the specific sources (NSSMC official publications, company's web-site etc.) within specifically set timeframe.

The procedure of beneficial owners' disclosure upon corporate actions (coupon, dividend payment, General Meeting etc.) is as follows:

- at least three days prior to income payment/GM the issuer submits CSD an instruction to draw-up a list of beneficial owners;
- CSD instructs custodians to draw-up a list of beneficial owners;
- based on information received from custodians CSD draws up a consolidated list of beneficial owners (PD-1, end of operational day) and provides it to the issuer.

PROXY VOTING

Shareholders may exercise their voting rights: by attending the Meeting personally or by proxy.

TAXATION

The Tax Code of Ukraine establishes the following principles with respect to taxation of foreign legal entities/individuals:

- Income derived from sources within the territory of Ukraine by foreign entities (which are not engaged in commercial activities on the territory of Ukraine through a permanent establishment) or foreign individuals are taxed at the time of income remittance to such foreign entities; taxes are withheld from the sums remitted.
- Upon Ukrainian-source income remittance to a foreign entity/individual by a resident (legal entity or individual), the latter is deemed to be a foreign entity's/individual's tax agent. A resident shall state in the agreement a tax rate applicable to Ukrainian-source income payable to a foreign entity/individual.
- Withholding tax rate of 15% to be withheld by a resident entity or by the permanent establishment of a foreign entity from the amount of any Ukrainian-source income, when such foreign entity's/

individual's Ukrainian-source income is remitted to such foreign entity/individual unless an applicable bilateral double taxation treaty provides relief with respect to such withholding.

- Dividends, coupon payments, income received by a foreign entity from securities transactions, royalty received by a foreign entity shareholder are subject to withholding tax at the rate of 15%, unless a bilateral double taxation treaty provides otherwise.
- Proceeds received by a foreign entity from an interest-free (discount) bonds or treasury bonds are subject to withholding tax at the rate of 16%.
- Coupon payments received by a foreign entity/individual on domestic/municipal government bonds and foreign government bonds, which have been sold to/placed among foreign entities/individuals outside the territory of Ukraine, are not subject to a withholding tax.
- Investment income (proceeds, income upon securities buy-back, redemption) paid by the asset management company of mutual investment funds to a foreign individual, income received by foreign individuals from mortgage certificates, certificates of funds of real estate operations, proceeds (coupon and dividend payments) received by foreign individuals, income gained by foreign individuals from transactions with Ukrainian domestic government bonds are subject to withholding tax at the rate of 5%.



KEY MARKET FIGURES*

- Market capitalization: USD 4,557.5 mln
- Average Daily Trading turnover: USD 0.33 mln
- Number of Listed Companies: 148

MAJOR MARKET PARTICIPANTS (INFRASTRUCTURE)

- Regulators: Center for coordination and control over securities market, www.csm.gov.uz
- Stock Exchange: Tashkent Exchange, www.uzse.uz
- Central Depository: State enterprise "Central Securities Depository" (UzCSD), www.deponet.uz
- Commercial depositories: 30
- Brokers: 45

MARKET SPECIFICS

- Time zone:
 - GMT +5h
- Local currencies: SUM (UZS)
- Number system: Local registration number
- All Uzbekistan equities are issued in dematerialized registered form

SETTLEMENT CYCLES

- Stocks
 - T+5 to T+10
- Bonds
 - T+5 to T+10

MARKET CUT-OFF TIMES

- UzCSD: 9.00 a.m. – 5.00 p.m.
- RSE: 10.00 a.m. – 3.30 p.m.

NOMINEE CONCEPT

Nominee accounts can be opened in the name of licensed custodians or depositories.

CORPORATE EVENTS

- There is no single source of corporate action information. Information on corporate events is available in mass media, at the web sites of the issuers, regulator, and newspaper "BIRJA" and other sources such as databases of information agencies, etc.
- For corporate event that requires a record date the issuer acquires the register of shareholders for such a date via UzCSD. The UzCSD then requests Depositories to disclose final beneficial owners list to determine the full list of shareholders.

* of 30.06.2013

LIST OF MEMBER ORGANIZATIONS



**National Depository Center
of the Azerbaijan Republic**

19 Bul Bul Avenue, Baku,
Az1000 Azerbaijan Republic

www.mdm.az



**Central Depository of Armenia
Open Joint-Stock Company**

5b, Mher Mkrtchyan Str, 0010,
Yerevan, Republic of Armenia

www.nasdaqomx.am



**Republican unitary entity
"Republican Central
Securities Depository"**

220004, Republic Belarus, Minsk,
Melnikayte St 2, (4th floor)

www.centraldepo.by



**Georgian Central Securities
Depository**

74a Chavchavadze Ave.,
0162 Tbilisi, Georgia

www.gcsd.ge



**Joint-stock company
"Central Securities Depository"**

28, microdistrict Samal-1, Almaty,
050051, Republic of Kazakhstan

www.kacd.kz



**Closed Joint-Stock Company
"Central Depository"
Kyrgyz Republic**

172 Moscovskaya St., Bishkek
720010, Kyrgyz Republic

www.cds.kg



**National Securities Depository
of Republic of Moldova**

Stefan cel Mare 73, oficiu 352,
Chisinau, MD2001,
Republica Moldova

www.moldse.md



**NATIONAL
SETTLEMENT
DEPOSITORY**
MOSCOW EXCHANGE GROUP

**National Settlement Depository
(NSD)**

12, Spartakovskaya St., Moscow,
105066, Russia

www.nsd.ru



**Public Joint-Stock Company
"Settlement Center"**

7-G Tropinina Str., 04107 Kyiv,
Ukraine

www.ausd.com.ua



**PJSC "National Depository
of Ukraine" (NDU)**

3 Grinchenko St. Kiev 01001,
Ukraine

www.csd.ua



**State enterprise
"Central Securities Depository"
(UzCSD)**

10 Bukhoro St., Tashkent 100000,
Republic of Uzbekistan

www.deponet.uz

X International AECSD Conference “MEETING MARKET CHALLENGES”

12-13 September 2013
Nizhny Novgorod, Russia

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