About KCSD

Shareholders of KCSD

Key facts:

- KCSD is a noncommercial organization, which has been operating since 1997
- provides services on transactions with Kazakhstani and foreign securities
- unified center for accounting of ownership rights of securities
- settles all on-exchange and over-the-counter transactions in the local market, provides access to the international market
- volume of securities in the nominal holding system is $275 bn (125 trln KZT)
- established correspondent relations with 5 national and 2 international depositories

as of January 1, 2023
International cooperation

KCSD is a member of the following reputable associations:

- Association of Eurasian Central Securities Depositories (AECSD)
- Association of National Numbering Agencies (ANNA)
- Asia-Pacific Central Securities Depository Group (ACG)
- International Organization of Securities Commissions (IOSCO)
- European Central Securities Depositories Association (ECSDA)
- SWIFT community
KCSD's Correspondent Links

**Mutual access**

**One direction access**

**Business development stage:**

- Uzbekistan
- Azerbaijan

*NSD Russia ↔ KCSD link is used for recordkeeping of securities with the following ISIN codes – RU and KZ.
Steady and stable growth rates of performance indicators are observed in most of the activities of KCSD over the past 5 years.

Note: data presented as of the end of the period, unless otherwise indicated.
Priorities

ARCHITECTURE
development of IT architecture for scaling operations in the settlement and depositary systems

GLOBALIZATION
expansion of interdepository and correspondent relations with international depositaries and global custodians

GROWTH
ensuring the growth of foreign portfolio investments, retail investors base and introduction of new financial instruments

OPTIMIZATION
reduction of time spent on transaction settlements
Goals

Formation on the basis of KCSD of a **flexible ecosystem in the securities market**, servicing a wide range of financial assets and providing investors with a wide range of services:

- Post-trade infrastructure enhancement
- Settlements for organized market and over-the-counter (OTC) transactions
- Processing of over-the-counter (OTC) transactions
- Processing of corporate actions
- Venue for securities-based lending transactions
- Client identity services
Areas of Development Strategy for 2022-2024 years

**Depository activities**
- Implementation of the omnibus account system
- Improvement of transaction registration and securities settlement technologies
- Launch of stock lending platform
- Correspondent links with international depositories and global custodians
- Enhancement of the settlement system for foreign securities traded on KASE

**Maintaining a system of security holders registers**
- Expansion of safekeeping services of assets of "lost" security holders
- Implementation of the registry and recordkeeping of bills
- Reduction of transaction registration time
- Facilitating online access to registry services

**Certain types of banking operations**
- Implementation of a foreign currency exchange service
- Implementation of a service for opening bank accounts to securities holders in registrar system

**Trading in OTC market**
- Implementation of DVP model for OTC
- Development of stock lending service
- Realization of securities holders’ direct access to OTC
- Implementation of dark pool into centralized service on OTC trading

**Corporate actions hub**
- Integration of the registration system of KCSD with the system of information disclosure on corporate actions
- Launch of Corporate Actions Portal
- Implementation of electronic voting system for general shareholders meetings
Key projects

In line with CSD’s Development Strategy KCSD is actively working on or recently completed the following initiatives:

- Foreign Currency Exchange service
- Development of OTC market
- Development of Securities Lending platform
- Introduction of Biometric Identification for KCSD clients
- Automatisation of the process of registering securities issuances
- Expansion of access to new markets
- Obtaining a license to open and maintain bank accounts for entities

KCSD clients in the test format were provided an opportunity to convert foreign currency with the aim to buy certain securities.

Currently testing is underway for KCSD OTC platform to organize the trading of financial instruments in the OTC market as well as to provide opportunity to lend certain securities to KCSD clients.

An option of biometric identification for clients who wish to establish business relationships with KCSD, has been introduced recently.

KCSD introduced automated process of securities issuances registration through its web portal which helped to eliminate limitations associated with manual paperwork & physical presence.

Custody agreement has been concluded recently with the American custodian, thus, it is planned to provide direct access for KCSD clients to the US market.

As part of expanding its banking services KCSD was given opportunity to open and maintain bank accounts for the brokers, banks, other entities and individuals.
Thank you!

Contacts

Address: 050040, Almaty, Satpaev St., 30/8, non-residential premises 163

Tel.: +7 (727) 262 08 46
      +7 (727) 355 47 60

E-mail: ccmail@kacd.kz
       ofo@kacd.kz

Website: www.kcsd.kz