**The National Bank of the Republic of Kazakhstan**

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**AEL “Association of Financiers of Kazakhstan”**

Almaty city, 67, Aiteke bi street

**National Chamber of Entrepreneurs of the Republic of Kazakhstan “Atameken”**

010000, Astana city, 8, Kunayev street

“Emerald quarter” AZ, block b, 26th floor

**“National management holding company “Baiterek” JSC**

010000, Astana city, 8, Kunayev street, block B

**“Kazakhstan Stock Exchange” JSC**

050040, Almaty c., 280, Baizakov street, north tower of multifunctional complex “Almaty towers”, 8th floor.

**“Information and accounting center” JSC**

010000, Astana city, 29, Republic avenue.

The National Bank of the Republic of Kazakhstan (hereinafter - the National Bank) requests to bring this letter to the attention of the members of AEL "Association of Financiers of Kazakhstan" and the National Chamber of Entrepreneurs of Kazakhstan "Atameken", issuers that are in the group of “Sovereign Wealth Fund" Samruk-Kazyna " JSC and "National management holding company" Baiterek " JSC, as well as to place this letter on their websites as information.

*Matters regarding estimation of the term for placement of information about corporate events on websites of FSD1 and stock exchange*

In accordance with paragraph 2-2 of Article 79 of the Law on joint-stock companies, a joint-stock company shall ensure the placement on the website of the FSD of the information on corporate events, annual financial statements of a joint-stock company and auditors' reports, lists of affiliated entities of joint-stock companies, as well as information about total amount of remuneration of an executive body’s members following the results of a year in accordance with procedure and terms established by regulations of an authorized body.

A joint-stock company whose securities are listed on the stock exchange, in addition to the information specified in first part of paragraph 2-2 of Article 79 of the Law on JSC shall ensure the placement of quarterly financial statements on the FSD’s website and provides the stock exchange with information on all corporate events and quarterly financial statements for publication on the Website of the stock exchange in accordance with the procedure established by its internal documents.

According to paragraph 3 of Article 79 of the Law on JSC, if the Law on JSC and other laws of the Republic of Kazakhstan do not provide for the terms of placing (bringing to shareholders’ attention) the information about corporate events, such information shall be published (communicated to shareholders) within 3 business days from the date of its occurrence.

Paragraph 4 of Article 102 of the Law on SM1 establishes that changes in the issuer's activities, contained in paragraph 2 of Article 102 of the Law on SM shall be communicated by the issuer to the holders of securities by posting information on the website of FSD within fifteen calendar days from the date of their occurrence in accordance with the procedure specified in regulations of an authorized body.

In compliance with paragraph 4 of the Rules No. 264, a joint-stock company shall ensure posting on the website of FSD by providing FSD with information on corporate events, a list of which is specified in paragraph 1 of Article 79 of the Law on JSC, and information about changes in its operations, the list of which is specified in paragraph 2 of Article 102 of the Law on SM, prepared in accordance with:

- Paragraphs 1, 2, 3, 4, 5, 6, 7, 8, 10, 12, 13 and 24 of Annex 1 to the Rules No. 26 - within 3 (three) business days from the date of occurrence of a corporate event.

- Paragraphs 9, 11, 15, 16, 17, 18, 19, 20, 21, 22 and 23 of Annex 1 to the Rules No. 26 - within 15 (fifteen) calendar days **from the date of occurrence of changes** in a joint-stock company’s operations that affect the interests of securities holders.

- Paragraph 14 of Annex 1 to the Rules No.26 - within 7 (seven) business days **from the date of receipt** of the appropriate judicial notice (invitation) concerning a civil case on a corporate dispute by a joint-stock company;

Pursuant to paragraphs 1 and 2 of Article 14 of the Law on LA5, the term established by law shall be determined by a calendar date or **a reference to an event that must inevitably occur.** The term can also be set as a time period which is calculated in years, quarters, months, weeks, days or hours.

A term calculated in days, begins the day after the calendar date or the day of an event occurrence, according to which its beginning will be determined, with the exception of constitutional terms, which begin from the day of the event occurrence referred in the Constitution of the Republic of Kazakhstan, and will expire on last day of a specified period.

Based on mentioned the above, the term determined in Clause 4 of the Rules No. 26, shall be calculated **from the date when the corporate event occurs** or **occurrence of changes** in a joint-stock company’s operations.

*Matters regarding the placement of information about securing major deals by a joint-stock company and deals which are in line with interests of a joint-stock company.*

In accordance with subparagraph 3) of paragraph 1 of Article 79 of the Law on JSC, a joint stock company shall be obliged to bring to the attention of its shareholders and investors about major deals and deals the securing of which corresponds to a joint-stock company’s interests.

Information about the deal as a result of which the asset worth ten or more percent of the size of a joint-stock company's assets is alienated or purchased, should include information on the parties to a deal, acquired or disposed assets, terms and conditions of a deal, the nature and the share of equity stakes of persons involved, as well as other information about a deal.

On the basis of paragraph 1 of Article 71 of the Law on JSC, persons who are interested that a joint-stock company secured a deal shall be recognized as affiliates of the company, if they:

- Are party to a deal or participate in it as a representative or intermediary;

- they are affiliated persons of a legal entity that is party to a deal or participates in it as a representative or agent

5 – The Law of the Republic of Kazakhstan “On legal acts”

According to paragraph 1 of Article 68 of the JSC Law, a major deal is recognized:

1) a deal or a set of interrelated deals as a result of which a joint-stock company acquire or dispose (can purchase or dispose) a property with a value of twenty-five percent or more of the total amount of a joint-stock company's assets book value;

2) a deal or a set of interrelated deals as a result of which a joint-stock company may buy out its placed securities or sell securities that it bought out in the amount of twenty-five percent or more of the total number of outstanding securities of the same type;

3) other deal determined by the charter of the company as a major deal.

Thus, the information referred to in the second part of subparagraph 3) of paragraph 1 of Article 79 of the Law on JSC shall be brought to the attention of shareholders and investors as regards all major transactions as well as transactions the arrangement of which is in line with the interests of a joint-stock company in the result of which the property worth ten and more percent of the size of the company's assets is alienated or purchased.

In accordance with paragraph 4 of the Rules No. 26, a joint-stock company shall provide placement on the FSD website by providing FSD the information about corporate events, the list of which is specified in paragraph 1 of Article 79 of the JSC Law, including information about securing deals which are in line with the interests of a joint-stock company - within 3 three business days from the date of occurrence of a corporate event.

At the same time in accordance with paragraph 6 of Annex 1 to Rules No. 26 a joint-stock company when disclosing information about securing deals which are in line with interests of a joint-stock company must mention the following information:

1) the date of securing a deal

2) the subject of a deal, names of parties to a deal;

3) the date of adoption of the decision on a deal by a joint-stock company’s body.

However, if an agreement on conclusion of a major deal by a joint-stock company, or securing a deal which is in line interests of a joint-stock company contains information constituting bank secret, insurance secret, commercial secrets in the securities market and other secret protected by laws of the Republic of Kazakhstan, the date and the number (if available) of an agreement as well as other information subject to a decision of a joint-stock company is published when placing information about securing such deals.

When securing several deals during one business day, it is allowed providing information on such deals through a joint-stock company’s submitting one application containing information about several such deals.

If a deal effected by a joint-stock company is both a major deal and a deal securing of which is in line with the company’s interests, information about such deals is placed only in accordance with paragraph 5 of Annex 1 to the Rules No. 26 with an indication thereof.

If the deal on obtaining a loan effected by a joint-stock company is both a major deal and (or) a deal securing of which corresponds to the interests of a joint-stock company, information on such deal is placed only in accordance with paragraph 8 of Annex 1 to the Rules No. 26 with an indication thereof.

*Matters on placement of information about changes in prospectus of emission securities*

According to paragraph 4 of the Rules No. 26, a joint-stock company shall ensure placement on the website of FSD the information about changes in its activities affecting the interests of securities holders, the list of which is specified in paragraph 2 of Article 102 of the Law on Securities Market, including on changes to the prospectus of the issued securities of the company, within 15 (fifteen) calendar days from the date of occurrence of changes in the activities of a company affecting the interests of securities holders.

In accordance with paragraph 22 of Annex 1 to the Rules No. 26, when disclosing this information a joint-stock company shall specify the following:

1) the date when an authorized body registered changes to the prospectus of issued securities of a joint-stock company (if amendments and additions to the prospectus of issued securities are subject to registration by an authorized body);

2) scanned copy of changes to the prospectus of issued/emission securities of a company.

At the same time in accordance with paragraph 5 of the Rules No. 26 the date of **occurrence** of a corporate event and (or) changes in a joint-stock company’s operations affecting the interests of securities holders referred to in paragraph 22 of Annex 1 to the Rules No.26 associated with changes in the information in prospectus of issued securities of a company, subject to registration in accordance with articles 9, 31 and 18-2 of the Law on Securities Market will be the date a company receives documents confirming the registration of amendments to the prospectus of issued securities.

Also please be advised that in compliance with second part of paragraph 7 article 9 of the Law on SM, issuer must present information about changes in data specified in subparagraph 4), 5), 15) of paragraph 1 to the authorized body within terms established by first part of paragraph 1, from the date of their occurrence (from the date of adoption of the decision by relevant bodies of a company) in compliance with the procedure established by regulations of an authorized body.

Thus, information about changes in the prospectus of emission securities that are subject to registration by an authorized body must be placed on the website of FSD within 15 calendar days **from the date of receipt** of relevant documents confirming the occurrence of such event.

If changes and additions to the prospectus of emission securities are not subject to registration by an authorized body, this information must be placed on the website of FSD within 15 calendar days from the **date of occurrence of** such event.

*Matters regarding publication of financial statements in mass media.*

In compliance with paragraph 2-2 of article 79 of the Law on joint-stock company, a joint-stock company shall ensure the placement of, inter alia, annual financial statements of a company and audited reports on the website of FSD in accordance with the procedure and terms determined in regulations of an authorized body.

As per paragraph 10 of the Rules No. 26, a joint-stock company places annual financial statements and audited reports on the FSD website every year but not later than August 31 of the year following the reporting year, and if a subsidiary is available – separate financial statements, consolidated annual financial statements and audited report on consolidated financial statements.

With that being said, in accordance with paragraph 19 of the Rules No. 26, annual financial statements that are subject to placement of FSD website shall be submitted to FSD in compliance with Rules No. 1 173 6.

6 – The Rules for submitting financial statements to the depositary, established by the decree of the Republic of Kazakhstan Government dated 14.10.11 No.I73

Thus, regardless of publishing annual financial statements and audited reports on the own website, a joint-stock company must place the mentioned statements on the website of FSD within deadlines established by paragraph 10 of the Rules No. 26 and within deadlines specified in Rules No.1173.

Please be advised that the website on which joint-stock company places information about its business (including annual financial statements and audited reports) must comply with requirements specified in Decree No.311.

*The matters regarding placement of financial statements on the FSD website by non-commercial organizations.*

In compliance with paragraphs 1 and 3 of articles 3 of the Law on JSC, a joint-stock company is a legal entity that issues shares for raising funds in order to carry out its operations.

In cases provided for by legislation of the Republic of Kazakhstan, non-commercial organizations may be established in the legal form of a joint-stock company.

According to paragraph 7 of article 19 of the Law on Accounting 7 , financial organizations, joint-stock companies (except for non-commercial), organizations - subsoil users and organizations the equity stake in the charter capital of which are owned by the state as well as state enterprises operating on the right of economic management are considered as organizations of public interest.

At that, according to first part of paragraph 2-2 of article 79 of the Law on JSC, a joint-stock company ensures placement of annual financial statements on the website of the FSD within terms established by regulations of an authorized body.

It should be noted that requirements of the first part of paragraph 2-2 of article 79 of the Law on JSC are compulsory, mandatory for execution by all joint-stock companies and do not provide exceptions for non-commercial organizations.

7 – The Decree of Management Board of Republic of Kazakhstan Agency for regulation and supervision of financial market and financial organizations dated 27.08.2005 No.311 “On mass media that are used for publishing information about a joint-stock company’s business and requirements to them”. The Law of the RK “On accounting and financial statements”.

Thus, non-commercial organizations established in organizational and legal form of a joint-stock company must ensure the placement of annual financial statements on the website of the FSD.

*Matters regarding placement of affiliated persons lists on the website of the FSD by non-commercial joint-stock companies.*

According to the first part of paragraph 2-2 of article 79 of the Law on JSC, a joint-stock company shall ensure the placement of, inter alia, lists of affiliated persons of a company on the website of FSD in the order and terms established by regulations of an authorized body.

In compliance with subparagraph 7) of article 1 of the Law on JSC, affiliated persons – are individuals or legal entities (except for state bodies carrying out supervising and controlling functions within powers granted to them) that have opportunities to directly and (or) indirectly determine decisions and (or) influence on decisions taken by each other (one of the persons) including in connection with concluded transaction. The list of affiliated persons of a company is determined in the article 64 of the Law on JSC.

At this, according to paragraph 3 of article 64 of the Law on JSC, provisions of this article do not apply to companies that are non-commercial organizations and credit bureau.

On the basis of the above mentioned, requirements of article 79 of the Law on JSC, as well as Rules No. 26 to placing the list of affiliated persons on the website of the FSD do not apply to companies that are non-commercial organizations.

*Matters regarding placement of information on events being the consequences of earlier occurred events on the website of FSD.*

According to paragraph 18 of the Rules No.26, when submitting information on the events in compliance with paragraphs 1,5,6,7,8,11 and 22 of Annex 1 to the rules No.26 and paragraphs 4,5,7, and 9 of annex 2 to the Rules No.26, being the consequences of earlier occurred events, the issuer in its electronic report sent to the FSD’s server shall specify the number of electronic notification on the results of electronic report about processing of the earlier published initial event which was received on the FSD’s server.

If the information on initial event at the moment of its occurrence was not subject to posting on the FSD’s website, the number of electronic notification on the results of processing of the electronic report received on the FSD’s server about the event that occurred earlier than this event should be specified.

In addition, we note that FSD’s software, when placing the information on events in compliance with paragraphs 1,5,6,7,8,11 and 22 of Annex 1 to the Rules No.26 and paragraphs 4, 5,7 and 9 of Annex 2 to the Rules No.2, allows specifying more than one number of electronic notification on the results of processing of the report about earlier posted events.

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