

CSDs: Kazakhstan CSD (Kazakhstan)

Date: 09 Sep 2009

SMI Markets: Kazakhstan

CMIRR Markets: Kazakhstan

## Merger of Trading between KASE and STF RFCA

On 7 September 2009, the Kazakhstan Stock Exchange (KASE) announced the merger with the Regional Financial Center of Almaty (STF RFCA). The changes related to the trading as result of this merger will be as follows:

- Instruments listed on KASE and STF RFCA will be combined in a single list. As a result, the securities coding order will change;
- All instruments traded on KASE's main floor will trade at the STF RFCA, except for currency instruments;
- Securities listed on KASE may be used as REPO transactions in accordance with KASE's Rules for these transactions;
- Transactions will be executed and settled in accordance with the trading rules of KASE. The settlement cycle of STF RFCA trades will be reduced from T+3 to T+0.

The official announcement can be accessed [here](#)

## CSD Risk Impact

### Kazakhstan CSD (Kazakhstan)

CSD Rating: A

CSD Flash Impact: On Watch

Impacted Risk Type: Liquidity Risk

Current Rating = BBB

Flash Impact = On Watch

Impacted Risk Type: Counterparty Risk

Current Rating = A

Flash Impact = Positive

The implementation of REPO transactions at KASE should increase the settlement liquidity and reduce the risk of failed trades in the market, while the reduction in the settlement cycle from T+3 to T+0 for the STF RFCA trades will shorten the length of counterparty risk exposure by allowing buyers/sellers to receive securities/cash three days earlier.

However, the liquidity risk impact has been placed "On Watch" as it is unclear how these changes will affect the settlement rates and liquidity.

## Market Information Impact

### Kazakhstan

This information affects the data contained in the Stock Market and Settlement sections of the Securities Market Information Service.

## Infrastructure Risk Ratings Impact

### Kazakhstan

Market Rating: BBB  
Market Flash Impact: On Watch

Impacted Risk Type: Liquidity Risk  
Current Rating = BB  
Flash Impact = On Watch

Impacted Risk Type: Counterparty Risk  
Current Rating = BBB  
Flash Impact = Positive

The implementation of REPO transactions at KASE should increase the settlement liquidity and reduce the risk of failed trades in the market, while the reduction in the settlement cycle from T+3 to T+0 for the STF RFCA trades will shorten the length of counterparty risk exposure by allowing buyers/sellers to receive securities/cash three days earlier.

However, the liquidity risk impact has been placed "On Watch" as it is unclear how these changes will affect the settlement rate and liquidity.

### For further information contact:

Ana Giraldo - Americas and Eurasia  
Barry Morales - Asia Pacific  
Jim Micklethwaite - Western Europe (incl. EU)  
Guillaume Viteau - Africa, Middle East

Tel: (+44) 20 7830 8300 | Fax: (+44) 20 7287 1549  
Email: [cmiqueries@thomasmurray.com](mailto:cmiqueries@thomasmurray.com)

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