



**On approval of the Rules of conducting auctions by the National Bank of the Republic of Kazakhstan within monetary policy implementation**

*Unofficial translation*

Resolution of the Board of the National Bank of the Republic of Kazakhstan dated July 30, 2018 № 167. Registered in the Ministry of Justice of the Republic of Kazakhstan on September 10, 2018 № 17355.

*Unofficial translation*

In accordance with the Law of the Republic of Kazakhstan of March 30, 1995 “On the National Bank of the Republic of Kazakhstan” and in order to further improve the procedure for conducting auctions by the National Bank of the Republic of Kazakhstan within monetary policy implementation, the Board of the National Bank of the Republic of Kazakhstan

**RESOLVES:**

1. To approve the enclosed Rules of conducting auctions by the National Bank of the Republic of Kazakhstan within monetary policy implementation.

2. Resolution No. 21 of the Board of the National Bank of the Republic of Kazakhstan dated January 28, 2016 “On approval of the Rules of conducting auctions by the National Bank of the Republic of Kazakhstan within monetary policy implementation” (registered in the Register of State Registration of Regulatory Legal Acts under № 13274, published March 5, 2016 in the Legal Information System "Adilet") shall be deemed invalid.

3. In accordance with the procedure established by the legislation of the Republic of Kazakhstan, the Monetary Operations Department (A.M. Moldabekova) shall:

1) together with the Legal Department (N.V. Sarsenova) provide the state registration of this resolution with the Ministry of Justice of the Republic of Kazakhstan;

2) within ten calendar days from the date of state registration of this resolution, direct it in the Kazakh and Russian languages to the Republican State Enterprise with the Right of Economic Management “Republican Center of Legal Information” for official publication and inclusion in the Reference Control Bank of Regulatory Legal Acts of the Republic of Kazakhstan;

3) place this resolution on the official Internet resource of the National Bank of the Republic of Kazakhstan after its official publication;

4) within ten working days after the state registration of this resolution, submit to the Legal Department the data on execution of the actions provided for in subparagraphs 2), 3) of this paragraph and paragraph 4 of this resolution.

4. The Directorate for the Protection of the Rights of Consumers of Financial Services and External Communications (A.L. Terentiev) shall direct its copy for official publication in periodicals within ten calendar days after the state registration of this resolution.

5. Control over the execution of this resolution shall be entrusted to the Deputy Chairman of the National Bank of the Republic of Kazakhstan, Zh.B. Kurmanov.

6. This resolution shall be enforced upon expiry of ten calendar days after the date of its first official publication.

*Chairman of the National Bank*

*D. Akishev*

Approved  
by Resolution № 167 of the Board  
of the National Bank  
of the Republic of Kazakhstan  
of July 30, 2018

## **Rules of conducting auctions by the National Bank of the Republic of Kazakhstan within monetary policy implementation Chapter 1. General provisions**

1. These Rules of conducting auctions by the National Bank of the Republic of Kazakhstan within monetary policy implementation (hereinafter referred to as the Rules) are developed in accordance with the Law of the Republic of Kazakhstan “On the National Bank of the Republic of Kazakhstan” dated March 30, 1995 and govern the procedure of conducting auctions by the National Bank of the Republic of Kazakhstan ( hereinafter referred to as the National Bank) within implementation of the state monetary policy of the Republic of Kazakhstan (hereinafter referred to as the monetary policy).

2. In accordance with monetary policy objectives for provision and withdrawal of liquidity the National Bank shall conduct the following types of auctions:

- 1) auction for purchase of securities with reverse sale;
- 2) auction for sale of securities with repurchase (reverse purchase) ;
- 3) auction of short-term notes of the National Bank;
- 4) deposit auction.

3. The Rules shall use the concepts provided for by the Civil Code of the Republic of Kazakhstan (Special Part) of July 1, 1999, as well as the following concepts:

1) auction participant (bidder) -a second-tier bank that is the bidder in the form of an auction (hereinafter referred to as the auction) for purchase of securities with reverse sale and an auction for sale of securities with repurchase (reverse purchase), being the depositor of the Central Securities Depository;

2) auction platform - an automated information subsystem used by the National Bank for holding auctions;

3) completion date of securities sale transaction - the day when the National Bank sells securities to the auction participant;

4) completion date of securities purchase transaction - the day when the National Bank buys securities from the auction participant;

5) primary agent - the participant in the auction of short-term notes of the National Bank with which belong a second-tier bank, the Single Accumulative Pension Fund, the National Postal Operator of the Republic of Kazakhstan, the legal entity that has entered into a brokerage service agreement with the National Bank, a client whose assets are in trust management with the National Bank;

6) electronic data transmission system - financial automated information transport system of the Republican State Enterprise with the Right of Economic Management "Kazakhstan Interbank Settlement Center of the National Bank of the Republic of Kazakhstan" (hereinafter - FASTI) or international interbank system of data transfer and settlements on transactions with financial instruments (Society for Worldwide Interbank Financial Telecommunication), encrypted with the use of software-cryptographic protection system;

7) deposit transaction - a transaction between the National Bank and the counter-partner on accepting a deposit (bank deposit) as part of a deposit auction;

8) discount price - the price that is lower than the nominal value, taking into account the discount rate;

9) discount rate - interest rate used to calculate the price and volume of the issue of securities at the auction held by the National Bank;

10) investor – a client of the primary agent;

11) cut-off price - the price at which the bids of primary agents are satisfied;

12) cut-off rate - the minimum (for an auction on securities purchase with reverse sale) or the maximum (for an auction on securities sale with repurchase, an auction of short-term notes of the National Bank and a deposit auction) interest rate at which the bids are satisfied;

13) rate of return - a parameter of concluded purchase (sale) transactions and reverse sale (purchase) of securities, used to calculate the price of the sale (purchase) of securities (the price of the second transaction) and the amount of reverse sale (repurchase) transaction;

14) counterparty (counter-partner) - the participant in the deposit auction with which belongs a second-tier bank, the Single Accumulative Pension Fund, the National Postal Operator of the Republic of Kazakhstan, the legal entity that has entered into a brokerage service agreement with the National Bank, a client whose assets are in trust management with the National Bank;

15) Lombard list – the list of securities accepted for purchase (sale) at the auction for purchase of securities with reverse sale and the auction for sale of securities with repurchase. Securities included in the Lombard list shall comply with the following conditions:

the issue is admitted to trading on the stock exchange of the Republic of Kazakhstan ( hereinafter - the stock exchange);

from the date of reverse sale (purchase) by the National Bank of securities to their maturity, at least seven working days are left;

the right of ownership of securities has not been terminated, the right of ownership of securities has not been restricted, and no liability was imposed on the obligations of the owner of the securities. The Lombard list shall be approved by the order of the Chairman of the National Bank on the basis of recommendations of the advisory body of the National Bank - the Technical Committee on the Monetary Policy of the National Bank;

16) weighted average discount price - the average discounted price, weighted against the total volume of short-term notes of the National Bank formed at the auction at the cut-off price;

17) weighted average rate - the average interest rate weighted against the total volume of satisfied or partially satisfied bids of auction participants (primary agents, counterparties) formed at the auction at the cut-off rate;

18) interest rate - the amount expressed in percentage terms, paid to the auction participant (counterparty );

19) authorized unit- a subdivision of monetary operations of the National Bank;

20) early repayment of short-term notes of the National Bank - full or partial withdrawal by the National Bank of short-term notes of the National Bank from circulation before the maturity date on the secondary securities market, previously agreed with the primary agent on the date, quantity and redemption price;

21) redemption of short-term notes of the National Bank - purchase by the National Bank of short-term notes of the National Bank on the secondary securities market with the possibility of their further circulation before the maturity expiry, previously agreed with the primary agent on the date, quantity and redemption price of short-term notes of the National Bank;

22) application for additional placement of short-term notes of the National Bank - the stage of issue of short-term notes of the National Bank at the auction, at which additional placement to the previously issued and circulating short-term notes of the National Bank takes place;

23) terms of additional placement of short term notes of the National Bank - conditions for additional placement of short-term notes of the National Bank determined and announced by the National Bank in accordance with the objectives of the monetary policy and including the date of additional placement, circulation period, maturity date, amount of additional placement, conditions for bids satisfaction, date of payment, form of additional placement;

24) the terms of issue and placement of short-term notes of the National Bank - the terms of issue and placement of short-term notes of the National Bank, determined and announced by the National Bank in accordance with the objectives of the monetary policy and including the placement date, the circulation period, maturity date, amount of placement, conditions for bids satisfaction, date of payment, form of placement;

25) electronic document exchange system eTransfer.kz - a specialized system of electronic document flow between the stock exchange and its members, providing

cryptographic means of protecting the transmitted data and ensuring their guaranteed delivery

## **Chapter 2. Conclusion of contracts and agreements in the conduct of auctions by the National Bank within monetary policy frames**

4. In the conduct of auctions within the monetary policy frames, the National Bank shall enter into one of the following contracts and (or) agreements:

1) agreement of accession to conclusion of transactions on purchase (sale) of securities with reverse sale (purchase) on the auction results (hereinafter - Agreement on conclusion of transactions with securities within the auction) shall be concluded with the participant in the auction for purchase (sale) of securities with return sale (purchase);

2) agreement of accession to transactions with short-term notes of the National Bank ( hereinafter Agreement on transactions with short-term notes) shall be concluded with the primary agent;

3) an agreement with the counterparty for participation in the deposit auction on acceptance of deposits (bank deposits) and on opening and maintaining a savings account ( hereinafter referred to as the Deposit Acceptance Agreement).

**Footnote. Paragraph 4 as amended by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 270 dated 31.12.2019 (shall come into effect on 01.01.2020).**

5. For conclusion of an Agreement on entering into transactions with securities within the auction and (or) Agreement on performing transactions with short-term notes, a potential auction participant or a potential primary agent, with the exception of the Single Accumulative Pension Fund, the legal entity that has entered into a brokerage service agreement with the National Bank, and the client, whose assets are in trust management with the National Bank, shall present to the National Bank the following documents:

1) the statement of no particular format indicating information on the availability of the license to carry out brokerage and (or) dealer activity in the securities market, issued by the National Bank, on paper or electronically by FASTI, signed by the authorized person of the potential auction participant or potential primary agent;

2) a document of the Central Securities Depository confirming existence of individual account in the Central Securities Depository.

In the existence of valid Agreement between the National Bank and the second-tier bank on concluding transactions with securities within the auction, it shall be allowed to conclude Agreement on transactions with short-term notes without submission by the second-tier bank of the documents specified by the first part of this paragraph to the National Bank.

In the existence of current Agreement between the National Bank and the second-tier bank on concluding transactions with short-term notes, it shall be allowed to conclude

Agreement on entering into transactions with securities within the auction without submission by the second-tier bank of the documents provided for in part one of this paragraph to the National Bank.

6. The National Bank shall consider the application of the potential auction participant or a potential primary agent and, within a period of no more than ten working days from the date of receipt by the National Bank of the documents provided for in the first part of paragraph 5 of the Rules, it shall send on paper or electronically on FASTE a notification of accession to the agreement on conclusion of transactions with securities within an auction and (or) the Agreement on conclusion of transactions with short-term notes or a motivated refusal indicating the reasons.

7. To conclude the Deposit Acceptance Agreement within the framework of participation in the deposit auction, a potential counterparty who is a resident of the Republic of Kazakhstan shall provide the following documents to the National Bank:

1) a petition addressed to the management of the National Bank for conclusion of the Deposit Acceptance Agreement;

2) the list of employees of the counterparty authorised to execute transactions on placement of deposits (bank deposits) within the framework of the deposit auction, approved by the counterparty;

3) the charter or a notarised copy thereof, or, if the counterparty operates under a standard charter, a document confirming the fact that the counterparty operates under a standard charter;

4) a notarised document with specimen signatures of the counterparty's employees authorised to sign the transaction passport.

To conclude the Deposit Acceptance Agreement within the framework of participation in the deposit auction, a potential counterparty who is a non-resident of the Republic of Kazakhstan shall provide the following documents to the National Bank:

1) a petition addressed to the management of the National Bank for conclusion of the Deposit Acceptance Agreement;

2) a notarised copy of constituent documents (excluding national (central) banks of foreign countries);

3) a notarised copy of the banking licence issued by the competent authority of the non-resident country (with the exception of national (central) banks of foreign countries);

4) a copy (copies) of the document (documents) certifying the identity of the person (persons) entitled to sign payment documents in the course of transactions, in compliance with the specimen signature document;

5) if available, a copy of the document confirming registration of a non-resident of the Republic of Kazakhstan as a taxpayer in the Republic of Kazakhstan;

6) consolidated financial statements for the last three years.

If the counterparty has an Agreement of Adhesion to conclude transactions in financial instruments concluded between the National Bank and the counterparty, it shall be permissible to conclude a Deposit Acceptance Agreement without the counterparty resubmitting to the National Bank the documents stipulated by this paragraph again.

**Footnote. Paragraph 7 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 270 dated 31.12.2019 (shall be effective on 01.01.2020).**

7-1. The National Bank shall examine the documents provided by a potential counterparty under paragraph 7 hereof and in case of compliance of the provided documents with paragraph 7 hereof within a period not exceeding ten business days from the date of their receipt by the National Bank, shall inform in writing on the readiness to conclude the Deposit Acceptance Agreement or shall send a refusal with indication of grounds thereof.

**Footnote. The Rules have been supplemented by paragraph 7-1 under Order of the Minister of Labour and Social Protection of Population of the Republic of Kazakhstan No. 270 dated 31.12.2019 (shall come into effect on 01.01.2020).**

### **Chapter 3. Conduct of an auction for purchase of securities with reverse sale**

8. To be admitted to an auction for purchase of securities with reverse sale, the auction participant shall meet the following requirements:

1) absence of violations of the standards of minimum reserve requirements two or more times during three consecutive calendar months preceding the date of participation in the auction. This requirement shall be valid until the date of payment by the auction participant of an administrative fine for an administrative offense provided for in paragraph 5 of Article 213 of the Administrative Offenses Code of the Republic of Kazakhstan dated July 5, 2014 ( hereinafter referred to as the Administrative Offenses Code);

2) absence of violations of prudential standards as of the last reporting date;

3) existence of a clause in the agreement of the correspondent account concluded with the National Bank providing for the right of the National Bank to withdraw money from the correspondent account of the auction participant without his consent in the event of default of obligations to the National Bank;

4) existence of valid Agreement for the conclusion of transactions with securities within the auction;

5) absence of arrears in payment of the principal debt and (or) interest on loans provided by the National Bank.

9. In the event of non-compliance of the auction participant with one or several requirements stipulated by paragraph 8 of the Rules, the National Bank shall not admit the auction participant to the auction for purchase of securities with reverse sale.

10. The object of the auction for purchase of securities with reverse sale shall be the rate of return, which shall determine the price of reverse sale of a security according to the

formula for calculating the price of reverse sale of a security in accordance with Appendix 1 to the Rules.

11. The eligibility of an auction participant to meet the requirements stipulated in paragraph 8 hereof shall be determined by the authorised unit based on the data presented by:

1) the Financial Market Statistics Unit of the National Bank - under sub-paragraph 1) of paragraph 8 hereof;

2) the competent authority responsible for regulation, control and supervision of the financial market and financial organisations - under sub-paragraph 2) of paragraph 8 hereof;

3) the operational accounting unit of the National Bank - under sub-paragraph 3) of paragraph 8 hereof.

**Footnote. Paragraph 11 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 270 dated 31.12.2019 (shall enter into force on 01.01.2020).**

12. The auction for purchase of securities with reverse sale shall be assigned a unique identification number with an indication of the currency code, date of the auction and deadline for providing liquidity (hereinafter referred to as the auction number for purchase of securities with reverse sale).

13. Information on conduct of the auction for purchase of securities with reverse sale, transmitted by the National Bank to the auction participants on the electronic data transmission system, shall contain:

1) number of the auction for purchase of securities with reverse sale;

2) Lombard list;

3) purchase price (the price of the first transaction) of securities included in the Lombard list. The purchase price (price of the first transaction) shall be defined as the net value (excluding accrued interest) of one security unit with four decimal places;

4) term of liquidity provision (the difference in calendar days between completion dates of the purchase transaction (first transaction) of securities and reverse sale transaction (second transaction) of securities;

5) announced volume of liquidity being placed;

6) the minimum rate of return (the minimum allowable amount of the rate of return requested by the auction participant).

14. In the event of impossibility for technical reasons (in the event of malfunction of the electronic data transmission system) to transfer to the auction participants by the National Bank of information related to conduct of the auction for purchase of securities with reverse sale on the electronic data transmission system, it shall be allowed to transmit information related to the auction for purchase of securities with reverse sale, on paper.

15. No later than one working day prior to the day of the auction for purchase of securities with reverse sale, the National Bank shall send to the auction participants and the Central Securities Depository a Lombard list and information related to carrying out of the auction for purchase of securities with reverse sale.

16. The market value of securities included in the Lombard list within the auction for purchase of securities with reverse sale, shall be calculated in accordance with the discount determined by the stock exchange.

17. The purchase price of a security shall be defined as the net value (excluding accrued interest) of one unit of security with four decimal places.

18. On the day of the auction for the purchase of securities with reverse sale from 09.00 to 11.30 a.m. Nur-Sultan city time, the auction participant shall file an application for participation in the auction for the purchase of securities with reverse sale in electronic form via the auction platform to the relevant unit.

In case of impossibility due to technical reasons (in case of failure of the auction platform ) to file an application for participation in the auction for purchase of securities with reverse sale in electronic form via the auction platform, the auction participant may file an application for participation in the auction for purchase of securities with reverse sale in the form as per Appendix 2 hereto in hard copy.

**Footnote. Paragraph 18 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall come into effect upon expiry of ten calendar days after the day of its first official publication).**

19. The auction participant shall submit an application for participation in the auction for purchase of securities with reverse sale with competitive and (or) non-competitive bids (offers ).

20. The minimum amount of a single application with a competitive or non-competitive bid shall be not less than 50,000,000 (fifty million) tenge.

21. The auction for purchase of securities with reverse sale shall be held by the National Bank in the existence of two or more applications with competitive bids from at least two different auction participants (bidders).

22. In the applications with competitive bids of participants in the auction for purchase of securities with reverse sale the issue of the security, the nominal value and the interest rate shall be indicated.

23. In the applications with non-competitive bids of participants in the auction for purchase of securities with reverse sale the issue of the security and the nominal value shall be indicated.

24. Applications with competitive bids of participants in the auction for purchase of securities with reverse sale shall be ordered and satisfied by the level of the interest rate offered by the bidder, starting with the maximum but not lower than the cut-off rate.

25. Applications with non-competitive bids of participants in the auction for purchase of securities with reverse sale shall be satisfied at the weighted average rate established by the auction results.

26. The designated unit shall summarise bids for participation in the auction on purchase of securities with reverse sale into a summary sheet of received bids for participation in the

auction on purchase of securities with reverse sale in the form as per Appendix 3 hereto by 12.00 p.m. Nur-Sultan city time.

**Footnote. Paragraph 26 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall become effective ten calendar days after the date of its first official publication).**

27. The head of the designated unit or, in case of his/her absence, the person replacing him/her, from 12.00 to 13.00 p.m. of Nur-Sultan city time, based on the received data on the auction for the purchase of securities with reverse sale, shall decide on the cut-off rate, the volume of satisfied bids, after which he/she shall sign the summary sheet of received bids for participation in the auction for the purchase of securities with reverse sale in the form as provided in Appendix 3 hereto.

**Footnote. Paragraph 27 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall be put into effect upon expiry of ten calendar days after the date of its first official publication).**

28. On the basis of information about the cut-off rate and the volume of satisfied applications, the authorized unit shall conclude transactions on purchase of securities with reverse sale and, upon completion of the auction, shall issue to the auction participant a notification on the satisfied volume of applications on the purchase of securities with reverse sale according to the form of Appendix 4 to the Rules on paper or electronically through the auction platform.

29. By results of the auction for purchase of securities with reverse sale, the following pair transactions shall be concluded between the National Bank and the auction participant:

- 1) on purchase of securities by the National Bank (purchase transaction (first transaction))  
;
- 2) on reverse sale of the same securities by the National Bank within a certain period after the purchase transaction ( reverse sale transaction (second transaction))

30. In accordance with the monetary policy directions and financial market conditions, the National Bank shall duly change the terms of the auction for purchase of securities with reverse sale (increase the announced volume of securities placement, reduce the announced volume of securities placement, cancel the auction for purchase of securities with reverse sale ).

31. In the event of obtaining results of the auction for purchase of securities with reverse sale that are insufficient to fulfill the monetary policy objectives, or in the absence of two or more applications with competitive offers from at least two different auction participants, the National Bank shall announce the auction for purchase of securities with reverse sale invalid.

32. Invalidation of the auction for the purchase of securities with reverse sale shall be approved by the order of the head of the authorized unit or, in his absence, the person replacing him.

33. Not later than 6.30 p.m. Nur-Sultan city time on the day of the auction on purchase of securities with reverse sale, the designated unit shall place information on the outcomes of the auction on purchase of securities with reverse sale on the National Bank's official website.

**Footnote. Paragraph 33 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall take effect upon expiry of ten calendar days after the day of its first official publication).**

34. Settlements on transactions of the purchase and reverse sale of securities following results of the auction for purchase of securities with reverse sale shall be carried out in accordance with the code of the Central Securities Depository rules.

35. In order to simplify the accounting of securities, settlements on securities shall be carried out at prices excluding the accumulated remuneration. The auction participant who has sold the securities shall be the remuneration recipient.

36. Exchange of orders between the Central Securities Depository, the auction participant and the National Bank shall be performed in accordance with the set of rules of the Central Securities Depository.

37. In the event that the auction participant failed to fulfill obligations on transactions concluded on results of the auction for purchase of securities with reverse sale on the terms established on the day of the conclusion of transaction on reverse sale of securities, the National Bank shall on the working day following the day when the auction party did not fulfill obligations, direct an order to the Central Securities Depository to withdraw securities from the auction participant's account and to credit the securities to the account of the National Bank in accordance with the Central Securities Depository rules.

The amount of accumulated coupon interest on a security accrued before the date of non-fulfillment by the auction participant of obligations on transactions concluded on results of the auction for purchase of securities with reverse sale shall be transferred to the auction participant.

38. Accounting and registration of transactions on the purchase of securities and reverse sale of securities by the National Bank shall be carried out by the central depository on the respective subaccount of the National Bank in accordance with the set of rules of the Central Securities Depository.

39. In the event that the date of the transaction on reverse sale of securities falls on a non-working (holiday or weekend) day, the reverse sale of securities transaction shall be carried out on the first business day following the date of reverse sale of securities in accordance with the terms of the transaction.

#### **Chapter 4. Conduct of an auction for sale of securities with repurchase**

40. To be admitted to an auction for sale of securities with repurchase, the auction participant shall meet the following requirements:

1) absence of violations of the standards of minimum reserve requirements two or more times during three consecutive calendar months preceding the date of participation in the auction. This requirement shall be valid until the date of payment by the auction participant of an administrative fine for an administrative offense, as provided for by paragraph 5 of Article 213 of the Code of Administrative Offenses;

2) absence of violations of prudential standards as of the last reporting date;

3) existence in the agreement of the correspondent account concluded with the National Bank of a clause providing for the right of the National Bank to withdraw money from the correspondent account of the auction participant without his consent in the event of default of obligations to the National Bank;

4) existence of a valid Agreement for the conclusion of transactions with securities in the auction;

5) absence of arrears in payment of the principal debt and (or) interest on loans provided by the National Bank.

41. In the event of non-compliance of the auction participant with one or several requirements stipulated by paragraph 40 of the Rules, the National Bank shall not admit the auction participant to the auction for sale of securities with repurchase.

42. The object of the auction for sale of securities with repurchase shall be the rate of return, which shall determine the price of transaction of repurchase of the securities according to the formula for calculating the price of repurchase of security in accordance with Appendix 5 to the Rules.

43. The designated unit shall determine the compliance of an auction participant with the requirements stipulated by paragraph 40 hereof based on the data supplied:

1) by the Financial Market Statistics Division of the National Bank - under sub-paragraph 1) of paragraph 40 hereof;

2) by the competent authority for regulation, control and supervision of the financial market and financial organisations - under sub-paragraph 2) of paragraph 40 hereof;

3) by the Operational Accounting Unit of the National Bank - under sub-paragraph 3) of paragraph 40 hereof.

**Footnote. Paragraph 43 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 270 dated 31.12.2019 (shall be enforced on 01.01.2020).**

44. An auction for sale of securities with repurchase shall be assigned a unique identification number with indication of the currency code, the date of the auction and the term of liquidity withdrawal (hereinafter referred to as the number of the auction for sale of securities with repurchase).

45. Information related to conduct of the auction for sale of securities with repurchase, transmitted by the National Bank to the auction participants on the electronic data transmission system, shall contain:

1) the number of the auction for sale of securities with repurchase;

2) the term of liquidity withdrawal (the difference in calendar days between the dates of completion of the sale transaction (first transaction) of securities and the repurchase transaction (second transaction) of securities);

3) announced volume of withdrawn liquidity;

4) maximum rate of return (the maximum allowable amount of the rate of return requested by the auction participant);

5) type of collateral.

46. In the event of impossibility for technical reasons (in the event of malfunction of the electronic data transmission system) to transfer to the auction participants by the National Bank of information related to conduct of the auction for the sale of securities with repurchase on the electronic data transmission system, it shall be allowed to transmit information related to the auction for the sale of securities with repurchase, on paper.

47. No later than one working day prior to the day of the auction for sale of securities with repurchase, the National Bank shall send to the auction participants and the Central Securities Depository the information related to conduct of the auction for the sale of securities with repurchase.

48. The market value of securities provided by the National Bank as collateral within the auction for the sale of securities with repurchase, shall be calculated in accordance with the discount determined by the stock exchange.

49. The sale price of a security shall be defined as the net value (excluding accrued remuneration) of one unit of security with four decimal places.

50. On the day of the auction on sale of securities with reverse purchase from 9.00 to 11.30 a.m. Nur-Sultan city time, the participant of the auction shall file an application for participation in the auction on sale of securities with reverse purchase in electronic form via the auction platform to the designated unit.

In the event of impossibility for technical reasons (in case of failure of the auction platform) to file an application for participation in the auction for the sale of securities with reverse purchase in electronic form via the auction platform, the auction participant may file an application for participation in the auction for the sale of securities with reverse purchase in the form pursuant to Appendix 6 hereto in hard copy.

**Footnote. Paragraph 50 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall come into effect upon expiry of ten calendar days after the day of its first official publication).**

51. The auction participant shall submit an application for participation in the auction for sale of securities with repurchase with competitive and (or) non-competitive bids.

52. The minimum amount of a single application with a competitive or non-competitive bid shall be at least 50,000,000 (fifty million) tenge.

53. The auction for sale of securities with repurchase shall be held by the National Bank in the existence of two or more applications with competitive bids from at least two different auction participants.

54. In the applications with competitive bids of participants in the auction for sale of securities with the repurchase, the issue of the security, the nominal value and the interest rate shall be indicated.

55. In the applications with non-competitive bids of participants in the auction for sale of securities with repurchase, the issue of the security and the nominal value shall be indicated.

56. Applications with competitive bids of participants in the auction for the sale of securities with repurchase shall be ordered and satisfied according to the level of interest rate offered by the bidder, starting from the minimum but not higher than the cut-off rate.

57. Applications with non-competitive bids of participants in the auction for sale of securities with repurchase shall be satisfied at the weighted average rate established by the auction results.

58. The designated unit shall summarise bids for participation in the auction on sale of securities with reverse purchase into a summary sheet of received bids for participation in the auction on sale of securities with reverse purchase in the form as per Appendix 7 hereto by 12.00 p.m. Nur-Sultan city time.

**Footnote. Paragraph 58 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall go into effect ten calendar days after the day of its first official publication).**

59. The head of the authorised unit or, in case of his/her absence, the person substituting him/her, from 12.00 p.m. to 1.00 p.m. of Nur-Sultan city time, based on the received data on the auction for the sale of securities with reverse purchase, shall make a decision on the cut-off rate, the volume of satisfied bids, after which he/she shall sign the summary sheet of received bids for participation in the auction for the sale of securities with reverse purchase in the form pursuant to Appendix 7 hereto.

**Footnote. Paragraph 59 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall be effective ten calendar days after the date of its first official publication).**

60. On the basis of information about the cut-off rate and the volume of satisfied applications, the authorized unit shall conclude sale and repurchase transactions and, upon completion of the auction shall issue a notification to the auction participant on the satisfied volume of applications on the sale of securities with repurchase according to the form of Appendix 8 to the Rules on paper or electronically through the auction platform.

61. According to results of the auction for sale of securities with repurchase, the following pair transactions shall be concluded between the National Bank and the auction participant:

- 1) on sale of securities by the National Bank (sale transaction (first transaction));

2) on repurchase by the National Bank of the same securities within a certain period after the sale transaction (repurchase transaction (second transaction)).

62. In accordance with the monetary policy directions and financial market conditions, the National Bank shall duly change the terms of the auction for sale of securities with repurchase (increase the announced amount of withdrawn liquidity, reduce the announced amount of withdrawn liquidity, cancel the auction for sale of securities with repurchase).

63. In the event of obtaining results of the auction for sale of securities with repurchase that are insufficient for carrying out the monetary policy objectives, and in the absence of two or more applications with competitive bids from at least two different auction participants, the National Bank shall announce the auction for sale of securities with repurchase invalid.

64. Invalidation of the auction for sale of securities with repurchase shall be approved by the order of the head of the authorized unit or, in his absence, the person replacing him.

65. The authorised unit shall place information on the outcomes of the auction on sale of securities with reverse purchase on the official website of the National Bank not later than 6.30 p.m. of Nur-Sultan city time on the day of the auction on sale of securities with reverse purchase.

**Footnote. Paragraph 65 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall be enacted upon expiry of ten calendar days after the day of its first official publication).**

66. Settlements on transactions on sale and repurchase of securities following results of the auction for sale of securities with repurchase shall be carried out in accordance with the set of rules of the Central Securities Depository.

67. In order to simplify the accounting of securities, settlements on securities shall be carried out at prices excluding the accumulated remuneration. Remuneration on securities shall be received by the National Bank.

68. Exchange of orders between the Central Securities Depository, the auction participant and the National Bank shall be performed in accordance with the set of rules of the Central Securities Depository.

69. In the event that the auction participant failed to fulfill obligations on transactions concluded on results of the auction for sale of securities with repurchase on the terms established on the date of the conclusion of transaction on repurchase of securities, the National Bank shall on the working day following the day when the auction party did not fulfill obligations, direct an order to the Central Securities Depository to withdraw securities from the auction participant's account and to credit the securities to the account of the National Bank in accordance with the rules of the Central Securities Depository.

The amount of accumulated coupon interest on a security accrued before the date of non-fulfillment by the auction participant of obligations on transactions concluded on results of the auction for sale of securities with repurchase shall be transferred to the benefit of the National Bank.

70. Accounting and registration of transactions for sale of securities and repurchase by the National Bank shall be carried out by the Central Securities Depository on the respective subaccount of the National Bank in accordance with the set of rules of the Central Securities Depository.

71. In the event that the date of the reverse purchase transaction falls on a non-working (holiday or weekend) day, the reverse purchase transaction shall be executed on the first working day following the date of repurchase of securities in accordance with the terms of the transaction.

## **Chapter 5. Conduct of an auction of short-term notes of the National Bank**

72. Short-term notes of the National Bank are a monetary policy instrument designed to regulate interest rates in the financial market.

73. Short-term notes of the National Bank shall be placed by the National Bank at a discount price, and shall be redeemed at the nominal value, except in cases of their early repayment.

74. The nominal value of a short-term note of the National Bank shall be 100 (one hundred) tenge.

75. The Central Securities Depository shall assign an international identification number (ISIN code) to each issue of the National Bank's short-term notes.

**Footnote. Paragraph 75 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 270 dated 31.12.2019 (shall be enforced on 01.01.2020).**

76. The auction of short-term notes of the National Bank shall be carried out through primary agents on the basis of the Agreement on performance of transactions with short-term notes and in accordance with the terms of issue and placement of short-term notes of the National Bank.

77. The interest rate on short-term notes of the National Bank shall be expressed as a percentage and shall be calculated using the formula for calculating the interest rate on short-term notes of the National Bank in accordance with Appendix 9 to the Rules.

78. The auction of short-term notes of the National Bank shall be carried out by the National Bank in the following forms:

1) electronic auction of short-term notes of the National Bank (hereinafter - the electronic auction);

2) auction for the sale of short-term notes of the National Bank at discount prices agreed with the primary agent (hereinafter - the sale auction);

3) auction in subscription form at the price established by the National Bank (hereinafter - auction in subscription form).

79. Information related to the auction of short-term notes of the National Bank, transmitted by the National Bank to the primary agents on the electronic data transmission system, shall contain the following:

- 1) date of the auction;
- 2) national identification number and (or) international identification number of the issue of short-term notes of the National Bank;
- 3) value date;
- 4) term of circulation of short-term notes of the National Bank;
- 5) maturity date of the National Bank's short-term notes.

80. In the event of impossibility for technical reasons (in the event of malfunction of the electronic data transmission system) of transferring to the primary agents by the National Bank of the information related to the auction of short-term notes of the National Bank on the electronic data transmission system it shall be allowed to transfer the information related to the auction of short-term notes of the National Bank on paper.

81. No later than one working day before the day of the electronic auction, the National Bank shall direct information to the primary agents related to the auction of the National Bank's short-term notes.

82. On the day of the electronic auction, based on the main directions of the monetary policy and financial market conditions, the National Bank may change the terms of issue and placement of short-term notes of the National Bank in the part of:

- 1) acquisition of short-term notes of the National Bank by primary agents or investors;
- 2) participation in the electronic auction of non-residents of the Republic of Kazakhstan;
- 3) satisfaction of applications with non-competitive bids;
- 4) volume of placement of short-term notes of the National Bank.

83. On the day of the electronic auction from 9.00 a.m. to 11.30 a.m. Nur-Sultan city time, the primary agent shall file an application for the purchase of short-term notes of the National Bank electronically via the auction platform to the authorised unit.

In case of impossibility due to technical reasons (in case of failure of the auction platform) to file an application for purchase of short-term notes of the National Bank in electronic form via the auction platform, the primary agent may submit an application for purchase of short-term notes of the National Bank in the form as per Appendix 10 hereto in hard copy.

**Footnote. Paragraph 83 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall come into effect upon expiry of ten calendar days after the day of its first official publication).**

84. To participate in the electronic auction, the primary agent shall file an application for the purchase of short-term notes of the National Bank with competitive and (or) non-competitive bids.

85. In the applications with competitive bids of primary agents in the electronic auction, the number of short-term notes of the National Bank, the estimated discount price of one short-term note of the National Bank, the total volume of purchases of short-term notes of the National Bank at the nominal value and discount price shall be indicated.

86. In the applications with non-competitive bids of primary agents in the electronic auction, the total number of short-term notes of the National Bank shall be indicated, which the primary agent is willing to purchase at the weighted average discount price formed in the electronic auction.

87. Within the framework of the electronic auction by 11.30 a.m. Nur-Sultan city time, the authorised unit shall summarise bids for purchase of short-term notes of the National Bank of the primary agents into a consolidated list of received bids for purchase of short-term notes of the National Bank.

**Footnote. Paragraph 87 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall be put into effect upon expiry of ten calendar days after the day of its first official publication).**

88. From 11.30 a.m. to 1.00 p.m. Nur-Sultan city time, based on the received data on the electronic auction, the head of the authorised unit or, in case of his/her absence, the person replacing him/her, shall make a decision on price terms, volume of satisfied bids and (or) additional placement of short-term notes of the National Bank, after which he/she shall sign the summary list of received bids for purchase of short-term notes of the National Bank.

**Footnote. Paragraph 88 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall become effective ten calendar days after the date of its first official publication).**

89. Applications with competitive bids of primary agents in the electronic auction shall be ordered and satisfied within the terms of issue and placement of short-term notes of the National Bank.

90. Applications with non-competitive bids of primary agents in the electronic auction shall be satisfied at the weighted average rate established by the results of the electronic auction in the first place.

91. Based on the information on price terms and volume of satisfied applications and (or) additional placement of short-term notes of the National Bank, the authorized unit shall carry out placement or additional placement of short-term notes of the National Bank and shall notify the primary agent of the satisfied volume of applications on paper or electronically through the auction platform.

92. In case of making a decision on additional placement of short-term notes of the National Bank, on the day of the electronic auction until 1.30 p.m. Nur-Sultan city time, the authorised unit shall forward to the primary agents the terms and conditions of additional placement of short-term notes of the National Bank in compliance with the procedure stipulated by paragraphs 79 and 80 hereof.

**Footnote. Paragraph 92 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall take effect upon expiration of ten calendar days after the day of its first official publication).**

93. Applications of primary agents for additional placement of short-term notes of the National Bank shall be accepted by the authorized unit until the time indicated in the terms for carrying out additional placement of short-term notes of the National Bank.

94. Additional placement of short-term notes of the National Bank shall be carried out by the authorized unit at the weighted average discount price formed in the electronic auction.

95. Before the time specified in the terms of additional placement of short-term notes of the National Bank, the authorized unit shall summarize applications of primary agents for additional placement of short-term notes of the National Bank in the summary sheet of received applications for additional placement of short-term notes of the National Bank.

96. The head of the authorized unit or, in his absence, the person replacing him, on the basis of the data obtained on the additional placement of short-term notes of the National Bank, shall make a decision on the amount of satisfaction of applications, after which he shall sign the summary sheet of received applications for additional placement of short-term notes of the National Bank.

97. Applications for additional placement of short-term notes of the National Bank shall be ordered and satisfied in priority sequence, taking into account their actual receipt by the National Bank.

98. Based on the data on the volume of satisfied bids for additional placement of short-term notes of the National Bank, the authorised unit shall perform additional placement of short-term notes of the National Bank and not later than 5.00 p.m. Nur-Sultan city time of the day of additional placement of short-term notes of the National Bank shall notify the primary agent of the satisfied volume of bids on paper or electronically via the auction platform.

**Footnote. Paragraph 98 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall enter into force upon expiration of ten calendar days after the day of its first official publication).**

99. On the day of the sale auction, the authorised unit shall forward the information related to the auction of short-term notes of the National Bank to the primary agents by 1.00 p.m. Nur-Sultan city time, after agreeing with the primary agents the discounted prices and the announced volume of placement of short-term notes of the National Bank within the discounted prices determined by the head of the authorised unit or, in case of his/her absence, by the person replacing him/her.

**Footnote. Paragraph 99 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall be effective ten calendar days after the date of its first official publication).**

100. On the day of the sale auction, the primary agent shall file an application to the authorized unit for the purchase of the National Bank's short-term notes in electronic form through the auction platform.

In the event of impossibility for technical reasons (in the event of malfunction of the auction platform) of filing an application for purchase of short-term notes of the National Bank in electronic form through the auction platform, the primary agent shall be permitted to file the application for purchase of short-term notes of the National Bank according to the form of Appendix 10 to the Rules on paper.

101. Applications of primary agents for the purchase of short-term notes of the National Bank within the sale auction shall be accepted by the authorized unit until the time indicated in the terms of issue and placement of short-term notes of the National Bank.

102. Within the sale auction before the time indicated in the terms of issue and placement of short-term notes of the National Bank, the authorized unit shall summarize applications of the primary agents for the purchase of short-term notes of the National Bank in the summary sheet of the filed requests for purchase of short-term notes of the National Bank.

103. The head of the authorized unit or, in his absence, the person replacing him, on the basis of received data on the sale auction, shall make a decision on the volume of placement of short-term notes of the National Bank within discount prices, after which he shall sign the summary sheet of the filed requests for the purchase of short-term notes of the National Bank.

104. Based on the data on the volume of placement of short-term notes of the National Bank within the discounted prices, within the framework of the sale auction, the authorised unit shall place short-term notes of the National Bank and not later than 17.00 hours of Nur-Sultan city on the day of the sale auction notify the primary agent of the satisfied volume of short-term notes of the National Bank on paper or electronically via the auction platform.

**Footnote. Paragraph 104 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall be entered into force ten calendar days after the date of its first official publication).**

105. On the day of the auction in the form of subscription, by 12.00 noon time of Nur-Sultan city, the authorised unit shall forward to the primary agents the data related to the auction of short-term notes of the National Bank, as well as the discounted price determined by the head of the authorised unit or, in case of his/her absence, by the person replacing him/her.

**Footnote. Paragraph 105 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall take effect upon expiration of ten calendar days after the day of its first official publication).**

106. On the day of the auction in subscription form, the primary agent shall file an application to the authorized unit for the purchase of short-term notes of the National Bank in electronic form via the auction platform.

In the event of impossibility for technical reasons (in the event of malfunction of the auction platform) of filing an application for purchase of short-term notes of the National

Bank in electronic form through an auction platform, the primary agent shall be allowed to file an application for purchase of short-term notes of the National Bank according to the form of Appendix 10 to the Rules on paper.

107. Applications of primary agents for the purchase of short-term notes of the National Bank within an auction in the form of subscription shall be accepted by the authorized unit until the time indicated in the terms of issue and placement of short-term notes of the National Bank.

108. The authorized unit in the auction in subscription form before the time indicated in the terms of issue and placement of short-term notes of the National Bank shall summarize applications of primary agents for the purchase of short-term notes of the National Bank in the summary sheet of the filed applications for purchase of short-term notes of the National Bank.

109. The head of the authorized unit or, in his absence, the person replacing him, on the basis of received data about the auction in subscription form, shall make a decision on the volume of placement of short-term notes of the National Bank, after which he shall sign the summary sheet of the filed applications for purchase of short-term notes of the National Bank.

110. Applications for purchase of short-term notes of the National Bank of the auction in subscription form shall be ordered and satisfied in priority sequence taking into account their actual receipt by the National Bank.

111. Within the framework of the auction in the form of subscription based on the data on the volume of placement of short-term notes of the National Bank, the authorised unit shall place short-term notes of the National Bank and not later than 5.00 p.m. of Nur-Sultan city on the day of the auction in the form of subscription shall notify the primary agent of the satisfied volume of applications for purchase of short-term notes of the National Bank in hard copy or electronically via the auction platform.

**Footnote. Paragraph 111 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

112. The final volume of placement of short-term notes of the National Bank of the respective issue shall be approved by the order of the head of the authorized unit or, in his absence, the person replacing him.

113. In the event that the results of the auction of short-term notes of the National Bank are insufficient to fulfill the objectives of the monetary policy, on the basis of the data received from the authorized unit, the National Bank shall announce the auction of the short-term notes of the National Bank invalid.

114. Invalidation of the auction of short-term notes of the National Bank shall be approved by the order of the head of the authorized unit or, in his absence, the person replacing him.

115. On the day of holding the auction of short-term notes of the National Bank, the authorised unit shall publish data on the results of the held auction of short-term notes of the National Bank on the official website of the National Bank not later than 6.30 pm Nur-Sultan city time.

**Footnote. Paragraph 115 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall be put into effect upon expiry of ten calendar days after the day of its first official publication).**

116. No later than 5:00 p.m. Nur-Sultan city time of the payment day established by the terms of issue and placement of short-term notes of the National Bank, the authorised unit and the primary agent shall forward to the central securities depository the orders pursuant to the set of rules of the central securities depository.

**Footnote. Paragraph 116 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall enter into force upon expiration of ten calendar days after the day of its first official publication).**

117. In the event that the primary agent and the National Bank receive a notice of non-execution of the order, the primary agent and the National Bank shall re-transfer the order to the Central Securities Depository, eliminating the reasons that caused non-execution of the order.

118. Circulation of short-term notes of the National Bank shall start on the day of payment established by the National Bank in accordance with the terms of issue and placement of short-term notes of the National Bank.

119. Circulation of short-term notes of the National Bank shall be completed one working day before the date of redemption of short-term notes of the National Bank.

120. Accounting for short-term notes of the National Bank and rights under them shall be carried out on the personal account of the primary agent and on individual subaccounts of investors opened in the personal accounts of the primary agents.

121. Not later than 4:00 p.m. Nur-Sultan city time of the business day preceding the day of redemption of short-term notes of the National Bank, the central securities depository shall form the list of holders of short-term notes of the National Bank entitled to receive money from redemption of short-term notes of the National Bank.

**Footnote. Paragraph 121 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall come into effect upon expiry of ten calendar days after the day of its first official publication).**

122. On the day of redemption of short-term notes of the National Bank, the National Bank shall transfer money to the position of the central depository prior to 11.00 a.m. Nur-Sultan city time in line with the information on forthcoming redemption of short-term notes of the National Bank indicating the number of short-term notes of the National Bank, the amount payable upon redemption of short-term notes of the National Bank and details of the central depository.

Footnote. Paragraph 122 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall take effect upon expiration of ten calendar days after the day of its first official publication).

123. The central securities depository shall transfer money to the position of the primary agent for redemption of short-term notes of the National Bank at their nominal value on the redemption day until 12.00 noon Nur-Sultan time.

Footnote. Paragraph 123 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall be effective ten calendar days after the date of its first official publication).

124. Upon the money transfer to the primary agent in redemption of short-term notes of the National Bank, the Central Securities Depository shall carry out writes off (redemption) of short-term notes of the National Bank from the individual account of the primary agent.

125. In the implementation of the monetary policy, early repayment of the National Bank's short-term notes by the National Bank by repurchasing them on the organized or unorganized securities market shall be permissible.

126. For early redemption of short-term notes of the National Bank and accounting of redeemed short-term notes of the National Bank, the National Bank shall open the issuer's sub-account in the account system of the central depository in its name under a personal account for accounting of redeemed securities.

127. Repurchase by the National Bank of short-term notes of the National Bank shall be carried out on the organized and unorganized securities markets by concluding a transaction of purchase and sale of short-term notes of the National Bank.

128. Repurchase by the National Bank of short-term notes of the National Bank shall be carried out on the organized and unorganized securities markets through the stock exchange trading system and shall be completed with primary documents formed by the stock exchange and (or) the electronic document exchange system eTransfer.kz, which are the documents certifying the fact of the transaction.

129. Primary documents formed by the stock exchange and (or) the electronic document exchange system eTransfer.kz shall contain the following information:

1) national identification number and (or) international identification number of the issue of short-term notes of the National Bank;

2) date of issue and redemption of short-term notes of the National Bank;

3) number of short-term notes of the National Bank;

4) price of one short-term note of the National Bank;

5) transaction amount (total sum in tenge);

6) yield to maturity on short-term notes of the National Bank (expressed as a percentage);

7) date of the transaction and (or) the date of payment of short-term notes of the National Bank.

130. Registration of redemption of short-term notes of the National Bank on the organized securities market shall be carried out by the Central Securities Depository on the basis of the order of the stock exchange on redemption of short-term notes of the National Bank. 131. Registration of the transaction of purchase and sale of short-term notes of the National Bank on the unorganized securities market shall be carried out by the Central Securities Depository on the basis of counter-orders on the purchase (sale) of short-term notes of the National Bank of the authorized unit and the primary agent.

132. Further circulation of short-term notes of the National Bank redeemed by the National Bank before the expiry of their circulation without repayment shall be allowed.

133. Short-term notes of the National Bank redeemed by the National Bank on the basis of information of the authorized unit shall be repaid in full or in part before expiry of the circulation period of short-term notes of the National Bank.

134. Decision on early repayment by the National Bank of short-term notes of the National Bank shall be made upon the order of the head of the authorized unit or, in his absence, the person replacing him.

135. Registration of early redemption of short-term notes of the National Bank shall be carried out by the Central Securities Depository in accordance with the set of rules of the Central Securities Depository.

## **Chapter 6. Conduct of deposit auction**

136. A deposit auction is a monetary policy instrument designed to withdraw short-term liquidity in the financial market, in which the National Bank borrows money from counterparties by concluding deposit transactions.

137. Interest rate shall be the object of the deposit auction.

The amount of remuneration under the deposit auction shall be accrued based on the simple accrual method (remuneration shall be accrued from the first day of deposit attraction), the actual number of days of money on deposit (bank deposit) and 360 (three hundred and sixty) days per year shall be taken as the calculation base.

**Footnote. Paragraph 137 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 270 dated 31.12.2019 (shall be effective on 01.01.2020).**

138. Data related to the deposit auction shall be transferred by the National Bank to counterparties via the auction platform and shall contain the following information:

- 1) the date of the auction;
- 2) the date of settlements based on the auction results;
- 3) announced volume of the deposit auction;
- 4) method of placement (single-price or multi-price);
- 5) transaction term.

Footnote. Paragraph 138 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall become effective ten calendar days after the day of its first official publication).

**139. Excluded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

140. On the day of the deposit auction from 9.00 to 11.30 a.m. Nur-Sultan city time, the counterparty shall file an application for participation in the deposit auction electronically via the auction platform.

In case of impossibility due to technical reasons (in case of failure of the auction platform ) to accept bids for participation in the deposit auction in electronic form via the auction platform, the authorised unit shall extend the time of acceptance of bids for participation in the deposit auction via the auction platform.

**Footnote. Paragraph 140 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall be put into effect upon expiry of ten calendar days after the day of its first official publication).**

141. The counterparty shall file an application for participation in the deposit auction with competitive and (or) non-competitive bids.

142. The minimum amount of a single application with a competitive or non-competitive bid shall be 10,000,000 (ten million) tenge.

143. A deposit auction shall be held by the National Bank in the existence of two or more applications with competitive bids from at least two different counterparties.

144. In applications with competitive bids the placed amount of money and the interest rate shall be indicated.

145. In applications with non-competitive bids the placed amount of money shall be indicated.

146. On the day of conduct of deposit auction, the National Bank shall duly change the terms of the conduct of the deposit auction in accordance with monetary policy directions and financial market conditions (an increase in the announced volume of the deposit auction, a decrease in the announced volume of the deposit auction, cancellation of the deposit auction, change in the share of satisfaction of applications with competitive and (or) noncompetitive bids, method of satisfying applications (single-price or multi-price method)).

147. Upon closing the receipt of bids for participation in the deposit auction, the authorised unit shall summarise the bids for participation in the deposit auction into a consolidated statement of received bids for participation in the deposit auction.

**Footnote. Paragraph 147 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall take effect upon expiration of ten calendar days after the day of its first official publication).**

148. From 11.30 a.m. to 1.00 p.m. Nur-Sultan city time, the head of the authorised unit or, in case of his/her absence, the person substituting him/her, based on the received data on the deposit auction shall make a decision on the cut-off rate, the volume of satisfied bids or on the cancellation of the deposit auction, after which he/she shall sign the summary sheet of received bids for participation in the deposit auction.

**Footnote. Paragraph 148 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall be effective ten calendar days after the date of its first official publication).**

149. Applications of counterparties with competitive and (or) non-competitive bids shall be ordered and satisfied in accordance with the chosen method of satisfying the applications and the decision taken by the head of the authorized unit or, in his absence, the person replacing him.

150. With a single-price method of satisfying applications for participation in the deposit auction, competitive and (or) noncompetitive applications of counter-partners shall be satisfied or partially satisfied at the cut-off rate.

151. With a multi-price method of satisfying applications with competitive bids of counterparties in the deposit auction, the applications shall be satisfied or partially satisfied at the level of the interest rate offered by the counterparty.

152. With a multi-price method of satisfying applications with noncompetitive bids of counterparties in the deposit auction, the applications shall be satisfied or partially satisfied at the weighted average rate.

153. Based on the data on the cut-off rate and the volume of satisfied bids, the authorised unit shall notify the counterparty of the satisfied volume of bids electronically via the auction platform.

Based on the results of the deposit auction, deposit transactions shall be concluded with counterparties with execution of transaction passports (trade tickets).

**Footnote. Paragraph 153 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall be entered into force upon expiry of ten calendar days after the day of its first official publication).**

154. The transaction passport (trade ticket) shall contain the following information about the transaction:

- 1) the date of opening and completion of the transaction;
- 2) the term of the transaction in calendar days;
- 3) transaction amount;
- 4) interest rate (expressed in percent per annum);
- 5) the amount of remuneration;
- 6) requisites of the National Bank and the counterparty.

Footnote. Paragraph 154 as amended by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall become effective ten calendar days after the date of its first official publication).

155. The counterparty, whose application is satisfied by the National Bank based on the results of the deposit auction, shall transfer money in favour of the National Bank on the settlement date of the deposit auction.

Footnote. Paragraph 155 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall be put into effect upon expiration of ten calendar days after the day of its first official publication).

156. In the event that the closing date of the deposit transaction falls on a non-working (holiday or weekend) day, the closing of the deposit transaction shall be carried out on the first working day following the closing date of the deposit transaction in accordance with the terms of the transaction.

157. Early closure by the counterparty of the deposit transaction concluded within the deposit auction without payment of the accumulated remuneration shall be allowed.

158. On the closing day of the deposit auction, the National Bank shall transfer the principal amount and the amount of interest on the deposit transaction to the counterparty.

159. In the event of receiving the results of the deposit auction that are insufficient for fulfilling the monetary policy objectives, or in the absence of two or more applications with competitive bids from at least two different counterparties, the National Bank, shall announce the deposit auction invalid.

160. No later than 6.30 p.m. Nur-Sultan city time on the day of holding the deposit auction, the authorised unit shall post information on the results of the deposit auction on the official website of the National Bank.

Footnote. Paragraph 160 as reworded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall come into effect upon expiry of ten calendar days after the day of its first official publication).

Appendix 1  
to the Rules of conducting  
auctions by the National Bank  
of the Republic of Kazakhstan  
within monetary policy  
implementation

### **Formula for calculating the price of reverse sale of a security**

$$Prs = (R / 365 \times N \times Pp / 100) + Pp$$

Where:

Prs - price of reverse sale of securities;

Pp – purchase price of securities;  
 R –return rate;  
 N – liquidity provision term (number of days).

Appendix 2  
 to the Rules of conducting  
 auctions by the National Bank  
 of the Republic of Kazakhstan  
 within monetary policy  
 implementation  
 Document Form

outgoing number  
 " \_\_\_ " \_\_\_\_\_ 20\_\_ year

**Application  
 for participation in the auction for purchase of securities with reverse sale**

on issue № \_\_\_\_\_ of " \_\_\_ " \_\_\_\_\_ 20\_\_ year  
 (indication of unique identification number of the auction)

Auction participant \_\_\_\_\_  
 (full name and individual account)

individual identification code or bank identification code

\_\_\_\_\_ is willing to sell securities to the National Bank with  
 repurchase period \_\_\_\_\_ days and date of repurchase \_\_\_\_\_ on the following terms:

Application number	National identification number of securities or international identification number	Individual account of auction participant	Nominal volume of securities (tenge)	Volume of sale at nominal value(tenge)	Volume of purchase at nominal value(tenge)	Rate of return
Applications with competitive bids						
Total:						
Applications with non-competitive bids						
Total:						

Head of authorized unit (person replacing him - in his absence)

Full name

Signature

Appendix 3  
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Application No.	Personal account of auction participant	National identification number of securities or international identification number	Nominal volume	Purchase price	Purchase volume	Reverse sale price	Reverse sale volume	Rate of return	Date of
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									reverse sale
Total:									

Head of authorized unit (person replacing him - in his absence)

Full name

Signature

Appendix 5  
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### Formula for calculating the price of reverse purchase of security

$$Prp = (R/365 \times N \times Ps/100) + Ps,$$

where:

Prp – is price of reverse purchase of securities;

Ps – price of sale of securities;

R – return rate;

N – liquidity withdrawal term (number of days).

Appendix 6  
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Outgoing number

" \_\_\_ " \_\_\_\_\_ 20\_\_ year

### Application for participation in the auction for sale of securities with repurchase

on issue № \_\_\_\_\_ of " \_\_\_ " \_\_\_\_\_ 20\_\_ year

(indication of unique identification number of the auction)

Auction participant \_\_\_\_\_

(full name and individual account)

individual identification code or bank identification code

\_\_\_\_\_ is willing to purchase securities of the National bank with reverse sale period

\_\_\_\_\_ days and date of reverse sale \_\_\_\_\_ on the following terms:

Application number	Individual number of auction participant	Amount (tenge)	Return rate (in percent)
Applications with competitive bids			
Total:			
Applications with non-competitive bids			
Total:			

Head of authorized unit (person replacing him - in his absence)

---

Full name

Signature

Appendix 7  
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**Summary sheet of filed applications for participation in the auction for sale of securities with repurchase**

Auction No. \_\_\_\_\_ of " \_\_\_\_ " \_\_\_\_\_ 20 \_\_\_\_ year.

Maximum rate \_\_\_\_\_ (in percent).

Announced volume \_\_\_\_\_.

№ n/n	Auction participant	Application type	Application number	Purchase volume of securities, tenge	Interest rate	Volume subject to announced restrictions				Volume excluding announced restrictions			
						competitive	Non-competitive	total	average rate	competitive	Non-competitive	total	average rate
1													

Total: \_\_\_\_\_ tenge,

Including the number of applications with non-competitive bids \_\_\_\_\_ tenge.

Head of authorized unit (person replacing him - in his absence)

---

Full name

Signature

Appendix 8  
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**Notification of satisfied applications volume in the auction for sale of securities with repurchase No. \_\_\_\_\_ of "\_\_\_" \_\_\_\_\_ 20\_\_ year**

The National Bank notifies that Your application for participation in the auction for sale of securities with repurchase No. \_\_\_\_\_ of "\_\_\_" \_\_\_\_\_ 20\_\_ year is satisfied in the sum of \_\_\_\_\_ tenge..

Weighted average rate of the auction \_\_\_\_\_ (in percent).

Closing date of the auction \_\_\_\_\_.

Total volume of satisfied applications \_\_\_\_\_ tenge.

Application No	National identification number of securities or international identification number	Nominal volume of a security	Price of purchase and of a security	Opening volume	Price of repurchase of a security	Closing volume	Rate
Итого:							

Head of authorized unit (person replacing him - in his absence)

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\_\_\_\_\_ Full name      Signature

Appendix 9  
to the Rules of conducting  
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**Formula for calculating interest rate on short-term notes of the National Bank**

$$R_n - R_d \frac{365}{T_c} \times \dots \times 100, R_d T_c$$

where:

R<sub>n</sub> – is nominal value;

R<sub>d</sub> – discount price;

T<sub>c</sub> – time(period) of circulation (in days).

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to the Rules of conducting  
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outgoing number

" \_\_\_ " \_\_\_\_\_ 20\_\_ year

Form of placement (electronic auction, (additional placement), sale auction, auction in the form of subscription)

### **Application for purchase of short-term notes of the National Bank**

On issue No. \_\_\_\_\_ of " \_\_\_ " \_\_\_\_\_ 20\_\_ year  
(number of issue is indicated, based on terms of issue and placement  
of short-term notes of the National Bank)

Primary agent \_\_\_\_\_,  
(full name and individual account)

Correspondent account, opened in the National Bank No. \_\_\_\_\_,  
individual identification code or bank identification code \_\_\_\_\_

is willing to purchase short-term notes of the National Bank with circulation period  
\_\_\_\_\_ days and date of maturity \_\_\_\_\_ on the following price terms:

No.	Number of short-term notes (pieces)	Individual account of primary agent or investor	Nominal value of one short-term note (tenge)	Purchase volume at nominal value (tenge)	Discount price of one short-term note (tenge)	Purchase volume at discount price (tenge)
Applications with competitive bids						
Total:						
Applications with non-competitive bids						
Total:						

Head of authorized unit (person replacing him - in his absence)

Full name

Signature

Appendix 11  
to the Rules of conducting  
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**Footnote. Appendix 11 has been excluded by Resolution of the Board of the National Bank of the Republic of Kazakhstan No. 127 dated 26.07.2019 (shall become effective ten calendar days after the date of its first official publication).**