

# KAZAKHSTAN STOCK EXCHANGE INC

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## PRESS RELEASE

Almaty

November 27, 2008

### **Kazakhstan Stock Exchange Held First Trades in Affined Gold in Bars Futures**

On November 26, 2008, on Kazakhstan Stock Exchange (KASE) were held first trades in affined gold in bars deliverable futures.

Three KASE category "C" members participated in trades and concluded two deals on 546 futures with the underlying asset delivery in December 2008 at KZT98,670.36 per future. The trades volume made up KZT53,874.0 th. (the equivalent of USD448,352.33).

According to the Specification of Future on Affined Gold Bars, approved by the decision of KASE Board of November 25, 2008, the sold futures must be executed on December 23–24, 2008. The last day of trades in the mentioned futures is December 22, 2008.

In the nearest time trades in affined gold in bars futures will be held on KASE in the testing mode to determine the interest in the new instrument among the financial market participants and adjustment of these futures execution mechanism, first of all, trades participants interaction with the Center of Cash Transactions and Custodianship (affiliate) of the National Bank of the Republic of Kazakhstan (State Repository for Precious Metals).

KASE emphasized that the value added tax on affined gold transactions remains the main factor impeding active gold circulation on the financial market of Kazakhstan.

Considering the above mentioned, KASE does not expect any significant volume of exchange trades in affined gold in bars deliverable futures and regularity of these trades.

At the same time, KASE hopes that the public attention, caused by the new instrument occurrence on the financial market of Kazakhstan, will draw government authorities' attention to the problem of affined gold transactions taxation. This problem solution will allow achieving the main goals of exchange trades in gold organization – the active gold market launching in Kazakhstan, creation of conditions for forming in the internal market of adequate gold pricing, introduction of derivative financial instruments with gold in bars as underlying asset, and decreasing of affined gold in bars export.

#### **Reference Information:**

According to KASE internal document "Regulations on Membership" only KASE category "C" members are entitled to participate in trades in fixed-term contracts to which relate affined gold in bars futures. At present, the National Bank of the Republic of Kazakhstan, BTA Bank, Eurasian Bank, Halyk Savings Bank of Kazakhstan are this category KASE clearing members, Subsidiary of joint stock company BTA Bank BTA Securities and RESMI Finance & Investment House are the trading members.

Kept in the State Repository for Precious Metals affined gold in bars of the standard quality and ligature mass is the mentioned futures underlying asset. One future means the obligation to sell or buy one troy ounce of chemically pure gold (0.0311034807 kg.).