



ASTANA
INTERNATIONAL
EXCHANGE

AIX GUIDANCE SME Bonds

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Astana, Kazakhstan

This Guidance is prepared in accordance MLR 1.7(R) of the AIX Business Rules to specify how the Rules will be applied when admitting the debt securities issued by small and medium-sized enterprises (SME) (hereinafter “**SME Bonds**”).

AIX understands the fact that the SME in Kazakhstan have difficulty to raise capital for expansion and growth on a larger scale. Considering their business life cycle and the size of funds required to be raised AIX has developed the product – SME Bonds to assist such companies in tapping the market.

The SME Bonds are Exempt Securities to be offered in accordance with AIFC MAR Rules 1.2.2(1)(e) under which the total aggregate consideration for the Securities offered should be less than the KZT equivalent of USD5,000,000 calculated over a period of 12 months.

Along with that, the Issuer of SME Bonds shall adhere to the specific requirements designed in a way to balance between certain alleviations and additional obligations imposed on the Issuers (please see table below for more details). In particular, in furtherance of MLR4.1(1) and MLR4.2, AIX hereby specifies that SME Issuers are required to submit audited financial statements covering a prior period of at least 1 (one) year, and such shorter period is reasonably acceptable to AIX taking into account size and the nature of the SME Issuers’ business and size and duration of the proposed SME Bonds.

OFFERING	
Offering size	Minimum size – USD500,000 Maximum size – USD4,999,999 (an equivalent amount in KZT)
Form of the issuance	Standalone issue (no programme)
Recurrence	Any subsequent offer can be done in compliance with AIFC MAR Rules 1.2.2(1)(e): the total aggregate consideration for the SME Bonds offered should be less than the KZT equivalent of USD5,000,000 calculated over a period of 12 months
Prospectus	Offer Document (template to be provided by AIX)
Term of the bonds	Up to 1 year
Issue currency	KZT
Security	The Issuer shall cure a guarantee issued by UBO/persons controlling more than 50% in the Issuer
ISSUER	
Audited financial statements	Audited financial statements by an audit firm, acceptable to AIX, covering a prior period of at least 1 (one) year.
Size of the Issuer	Issuer’s headcount shall not exceed 250 people and an average annual income shall not exceed 3,000,000-fold MCI

Lifetime of the Issuer	At least 3 years from the incorporation date
Sectors	Any sector, excluding mining, oil&gas companies (except for service companies), financial and SOE

Most of the application documents in connection with the SME listings are based on the AIX templates to assist SME Issuers with the listing application process.

The Issuers of SME Bond will also benefit from decreased listing fees, minimizing the costs of the Issuer to some extent (please follow the [link](#) to get acquainted with the AIX Fee Schedule).

AIX believes that listing of SME Bonds on the organised market will:

- ✓ secure alternative source of financing for the SME companies;
- ✓ enhance visibility of the companies on public capital markets;
- ✓ increase credibility of the company vis-a-vis its stakeholders;
- ✓ allow the companies to instill confidence in investors by subjecting themselves to higher transparency requirements.

INTERPRETATION

Defined terms are identified in this notice by the capitalisation of the initial letter of a word or of each word in a phrase and have meanings given in the AIX Business Rules or, if not defined there, in the AIFC Glossary. Unless the context otherwise requires, where capitalization of the initial letter is not used, an expression has its natural meaning.