



MARKET CONSULTATION PAPER NO. 6 /2022

AIX BUSINESS RULES - MLR 16-2 (Commercial Papers)

I. Introduction

1. This consultation paper is issued by Astana International Exchange Limited (AIX) in order to invite all interested parties to comment on the proposed amendments to the Markets Listing Rules of the AIX Business Rules concerning placement and listing of short-term debt instruments issued under the registered programme by the issuers that satisfy to certain creditworthiness requirements (“Commercial Paper”) on AIX.
2. All comments should be in writing and sent to listings@aix.kz.
3. In sending your comments by email, please state “AIX Market Consultation Paper No. 6/2022” as the subject and include your name, job title, contact details and organisation you represent in the email body. AIX reserves the right to publish and share with third parties any comments received as part of the market consultation, unless expressly requested otherwise at the time of making comments.
4. The deadline for providing comments is **11 March 2022**.
5. Comments received during the market consultation will be considered and will or will not be incorporated in the final draft of the amendments to the AIX Business Rules at the discretion of AIX.

II. Overview

AIX plans to further expand the range of available products by introducing a money market instrument – Commercial Paper.

Commercial paper is a commonly used type of unsecured, short-term debt instrument issued by companies with high creditworthiness and typically used for financing of the issuer’s short-term working capital needs (payroll, accounts payable, inventories, other operating expenses related to core activities of the issuer). Commercial paper is issued to professional (accredited) investors and the denominations of the commercial paper offerings are substantial, usually US\$100,000 or more. Other corporates, financial institutions, wealthy individuals, and money market funds are usually buyers of commercial paper.

Commercial paper is usually issued at a discount from par value and reflects prevailing market interest rates. Maturity on commercial paper typically lasts several days, and rarely range longer than 180-270 days. Commercial paper is not expected to be actively traded on the secondary market.

This instrument will constitute the standardised product to be offered to Accredited Investors in or from the AIFC. From the cost base perspective for the issuers, the product will be less expensive and issued under the exempt securities programmes in tranches with fast-track admission to the AIX Official List. However, the issuers of commercial papers will have to satisfy certain creditworthiness requirements such as availability of a credit rating.

Attachments:

1. New section MLR16-2 of the AIX Business Rules;
2. AIX Notice regarding the creditworthiness requirements for Issuers of Commercial Papers;
3. Offer Document for Commercial Paper Programmes (template)