



# ANNUAL REPORT

ON AIFC LEGAL MATTERS

 AIFC  
2019



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# FOREWORDS



**KAIRAT  
KELIMBETOV**

**GOVERNOR OF THE AIFC**

Dear reader!

Welcome to all our readers to the Annual Report on AIFC Legal Matters 2019. Here, we would like to share our achievements in the legal field of the year as tremendous work has been done since the AIFC was officially launched in 2018 and impressive achievements were made within the short period.

Today, the AIFC is an innovative and efficient platform, which provides services under international standards, increasing trading volume and revenue. I am very proud to say that the AIFC has reached 51st place out of 104 in the Global Financial Centres Index (GFCI), which is 37 positions higher than in March 2018. Our financial centre also took 1st place in the Eastern Europe and Central Asia region.

Even more, we have established a suitable environment for investments and great conditions for simply doing business in the AIFC. As of December 2019, 363 companies from 35 countries registered in the AIFC, and they provide a variety of financial as well as consulting and legal services. In addition, more than 1 500 contracts concluded with the AIFC Jurisdiction clauses.

These achievements clearly show that sound, clear and transparent legal framework for the conduct of business coupled with a trustworthy, impartial venue resolving commercial disputes is a prerequisite for being competitive in the international marketplace.

As presented in the following pages, the AIFC achievements on legal matters during 2019 indicate profound and all-encompassing accomplishments done in legal development activities and legal support activities of the AIFC Authority. Our success also demonstrates the hard work, effective performance and distinct proficiency of the entire AIFC Family that were devoted to and strengthened overall the 2019 legal position of the AIFC.

We hope everyone from authors to reviewers, will continue to give their strong support to this annual report.

Kairat Kelimbetov,  
Governor of the AIFC

## WHO WE ARE AND WHAT WE OFFER?

The Astana International Financial Centre is a unique hub on the map of the financial world that brings together the best practices and opportunities offered by similar institutions around the globe – from New York City and London to Dubai, Hong Kong and Singapore. The AIFC operates within a special legal regime based on Common Law principles, which regulates the legal relationships between AIFC participants and third parties and is aimed at the development of the financial market.

### 1. DYNAMICALLY DEVELOPING CENTRE

AIFC is an ambitious financial centre with fast developing infrastructure and high-ranking positions. The AIFC has reached 51st place out of 104, which is 37 positions higher than in 2018. It also took 1st place in the Eastern Europe and Central Asia region.

### 2. STRATEGIC LOCATION AND ACCESS TO A LARGE MARKET.

AIFC is located at a strategic location and is a getaway to access the regional market with high-quality services.

### 3. BUSINESS-FRIENDLY ENVIRONMENT.

The AIFC creates new opportunities for:

- Investors - by offering securities of state-owned and private sector issuers from Kazakhstan and other countries in the region, as well as business projects, from large-scale initiatives such as the Belt and Road Initiative, to small IT start-ups.
- Businesses – by providing access to investors, including major international and regional financial institutions, as well as asset managers and Islamic finance institutions.

A friendly tax regime and operational incentives help reduce expenses and make the cost of doing business in the AIFC attractive.

### 4. INDEPENDENT FINANCIAL REGULATION.

Astana Financial Services Authority (AFSA) is an independent regulator of financial services and related activities in the AIFC. The key positions of the Board of Directors of AFSA are occupied by recognised experts in law and finance. The AFSA's mission is to establish an environment that delivers fair and transparent financial and capital markets, in which individuals and institutions act with integrity.

## 5. BESPOKE LEGAL SYSTEM.

The AIFC legal regime is a free-standing commercial law system that is adapted and well-designed to operate in a unique way envisaged by the Constitutional Statute on AIFC. The AIFC Acts are specifically tailored for doing business in the AIFC, and which are familiar to the global market players. They were preliminarily approved by the AIFC Legal Advisory Council, which members are highly qualified lawyers from well-known London-based law firms and barristers' chambers.

## 6. LEADING DISPUTE RESOLUTION MECHANISMS IN THE HEART OF EURASIA.

- The AIFC Court has established a fully independent common law judicial system for the expeditious resolution of civil and commercial disputes characterised by reliability, fairness and accessibility, unconditional application of the Rule of Law, and flexibility that is responsive to the needs of global business markets. It adjudicates exclusively all claims arising out of the AIFC and its operations and other claims in which all parties to the dispute agree in writing to the jurisdiction of the AIFC Court.
- The International Arbitration Centre on the other hand, provides an independent, cost-effective, and expeditious alternative to court litigation, operating to the highest international standards to resolve civil and commercial disputes in the AIFC. The IAC has its own panel of outstanding international arbitrators and mediators who are greatly experienced, independent, impartial and of the highest integrity. It offers parties maximum choice and flexibility in choosing the rules and procedures they wish to use to resolve their disputes at the IAC.

**MICHAEL BLAIR QC**  
CHAIR OF THE AIFC  
LEGAL ADVISORY COUNCIL,  
LEADING COUNSEL AT  
3 VERULAM BUILDINGS  
BARRISTERS (LONDON)

"Reverting to the AIFC in Nur-Sultan, there now is, within what is an essentially civil law country, a common law-based General Legal Framework, and a Court system staffed by English judges applying the law as so imported. They do so in accordance with the doctrine of precedent. This common law jurisdiction operates within the boundaries of the AIFC and between AIFC participants only, but a certain amount of legal co-existence is, even so, required. It has worked amazingly well so far. The codified common law, specially written for the Centre, has been widely welcomed, and the judicial system, though not yet much tested in practice, is seen as very suitable for the imaginative venture which has been pioneered in Kazakhstan. Perhaps therefore, civil lawyers will in the future find it of interest to visit Nur-Sultan, the new capital of Kazakhstan, to see how this common law, precedent based, "transplant" is working and how well it is fitting in with the rest of the legal system in that country! I believe that they will find that there is a harmonious and well-designed internal legal system in the geographical area of the AIFC where English law is welcomed and respected."

# AIFC LEGAL ADVISORY COUNCIL (LAC)

## 1.1 OVERVIEW

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The LAC was established in 2017 with the objective of ensuring the introduction of the best global practice and the implementation of the relevant law of England and Wales. Representatives of global leading law firms and barristers' chambers such as **Baker McKenzie, Herbert Smith Freehills, Hogan Lovells, Michelmores, Norton Rose Fulbright, White & Case, and 3 Verulam Buildings Barristers** are members of the LAC. It has given preliminary approval to AIFC General Legal Framework Acts which were further adopted by relevant AIFC bodies.

## OBJECTIVES

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The LAC ensures implementation of the legal and regulatory framework of the AIFC to be compliant with best international practices and standards through:

- determining the highest international standards for the scope and content of the AIFC laws, rules and regulations, the methodology of drafting, and strategic development of the applicable law of the AIFC; and
  - approval of drafts of the AIFC Acts prior to their final adoption by the relevant AIFC bodies if requested by the AIFC bodies; and
  - other activities that are considered by LAC to be relevant.
-

## COMPOSITION OF LEGAL ADVISORY COUNCIL



WHITE &amp; CASE

Baker  
McKenzie.HERBERT  
SMITH  
FREEHILLSHogan  
Lovells

NORTON ROSE FULBRIGHT

3 VERULAM BUILDINGS  
BARRISTERS

Michelmores



### 1.2. LAC ACTIVITIES

The year of 2019 was full of new initiatives and projects. Interesting legal events were also hosted to enhance the AIFC Jurisdiction among international and Kazakhstani business and legal communities. Tremendous contribution of the LAC has led the AIFC to develop the AIFC Law through the lens of the best experience of the English common law as well as to ensure it is in line with international best practices.

Over the course of 2019, 7 LAC Meetings were held, including:

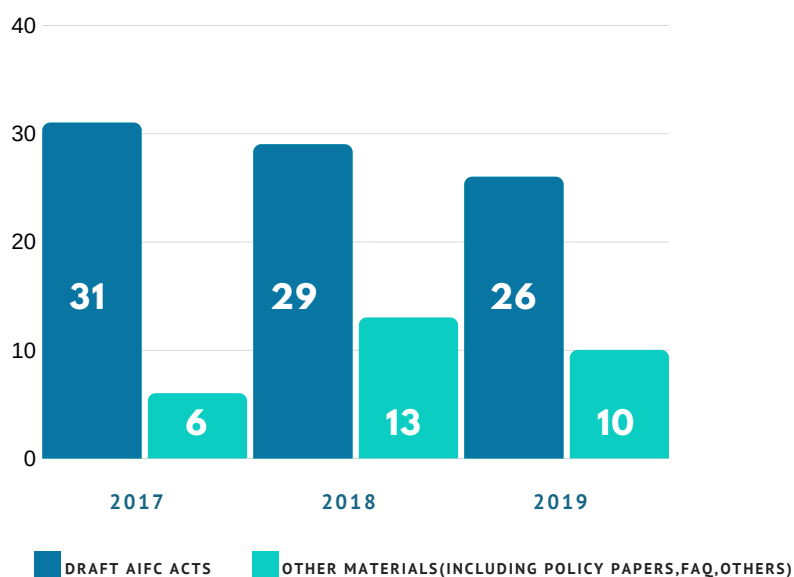
- ✓ 3 in person (in May – London, in July – Nur-Sultan and in November – London); and
- ✓ 4 in absentia (in March, June, September and December).

Overall, in 2017-2019, 23 LAC Meetings were held, including 3 in Nur-Sultan, 11 in London and 9 via absentia voting.

At these meetings, the LAC Members have reviewed and preliminary approved more than **80** draft AIFC Acts, Regulations and Rules, which made up the AIFC General Legal Framework and Financial Services Framework. Adopted by the relevant AIFC bodies, these Acts cover majority of relationships between registered or recognised companies in the AIFC and other relevant persons: on corporate, companies, contract, employment, and other matters.

The LAC's first decision in 2017 was to approve and outline the Model for the AIFC General Legal Framework based on the advice of Hogan Lovells International. This advice was based on a comparative analysis of the laws of four common-law based jurisdictions, the Dubai International Financial Centre (DIFC), the Abu Dhabi Global Market (ADGM), the Qatar Financial Centre (QFC) and the United Kingdom itself.

#### REVIEWED AND PRELIMINARY APPROVED DOCUMENTS BY LAC MEMBERS IN 2017-2019



Apart from its core activities, the LAC also conducted the following activities on development and enhancing of the AIFC Jurisdiction:

- reviewed draft policy papers and other related materials: the Strategy and Stages for drafting AIFC Acts, the FAQ, Declaration on the AIFC Law Conference 2019, and others;
- attended international legal forums and conferences as speakers: 9th St Petersburg International Legal Forum 2019, English Law Summits in Kazakhstan, AIFC Law Conferences, AIFC Legal Talks, and others;
- gave interviews to foreign (Bloomberg, etc) as well as Kazakhstani Mass Media (Atameken Business Channel, etc).

### 1.3. CONTRIBUTION IN ENHANCING AWARENESS OF AIFC LAW

Mr Michael Blair QC, Chair of the LAC and Leading Counsel at 3 Verulam Buildings Barristers, attended a talk show titled “Judicial precedents: Pro et Contra” at IX St Petersburg International Legal Forum (the SPILF) on 14-17 May 2019 to highlight benefits of common law and experience in converging common law principles and civil law from the example of the AIFC. This event welcomed over 5 000 participants from around 100 countries, including ministers of justice, representatives of top international organisations, judges, and scholars.

Renowned for his extensive knowledge and expertise in English commercial law, Mr. Blair QC is also a specialist in financial services and financial services regulation. He has been continuously rated by the Chambers and Partners as one of the ‘Star Individual’ in the financial services category over the last 8 years. Therefore, it was a great honour to have one of the leading commercial lawyers in the United Kingdom to attend the talk show on behalf of the AIFC.



TALK SHOW JUDICIAL PRECEDENTS:  
PRO ET CONTRA



SPEECH OF I. ROGOV



SPEECH OF M. BLAIR QC



MR MARAT BEKETAYEV, MR IGOR ROGOV AND MR MICHAEL BLAIR QC

📍 In addition, Mr Michael Blair QC, as well as a delegation from Kazakhstan, headed by Mr Marat Beketayev, Minister of Justice of the Republic of Kazakhstan, delivered lectures at St. Petersburg State University. The main topic of the lectures was devoted to the development of legislation of Kazakhstan as well as a unique legal regime of the AIFC in the context of new political realities.

Source: <https://spbu.ru/news-events/novosti/lekciyu-universantam-prochel-ministr-yusticii-respubliki-kazahstan>

📍 During the Astana Finance Days (the AFD) on 1-5 July 2019 in Nur-Sultan, Mr Michael Blair QC delivered a speech on “Different Types of Legal Entities in the AIFC” at the workshop, which was organised specifically for legal practitioners. The workshop covered full range of legal entities framework in the AIFC, the features of their different types and opportunities and benefits of establishing legal entities in the AIFC. More than 100 participants, among them legal practitioners and in-house lawyers of Kazakhstan as well as other guests of the AFD, attended the workshop.



Certain members of the LAC attended as speakers at the AIFC Law Conference titled “AIFC Law: Further Steps to Development”, which was held on 3 July 2019 in Nur-Sultan. In particular, Mr Michael Blair QC and Mr Francis Fitzherbert-Brockholes (Partner of Counsel at White & Case LLP in London) delivered their speeches at the panel session “On Benefits of the AIFC Legal Framework”, where Mr Simon FT Cox (Senior Consultant at Norton Rose Fulbright in London) acted as a moderator.

Mr Michael Blair QC, Mr Andrew Oldland QC (Senior Partner at Michelmores in London) and Mr Roy Pearce (Partner at Baker McKenzie in London), participated in the AIFC Legal Talks titled “AIFC Law: Realities and Perspectives” on 4 July 2019 in Nur-Sultan.

During the 1st round of the event, members of the LAC discussed with the audience the uniqueness and key advantages of the AIFC Law and further activities on its improvement.



## AIFC ADVISORY PANEL ON LEGAL REGULATORY MATTERS

### 2.1. OVERVIEW

The Advisory Panel on Legal Regulatory Matters (the “AP”) is a high-profile consultative and advisory body within the AIFC. The AP was established in 2019 with the primary objective to determine and evaluate future regulatory approach and philosophy on establishment of regulatory regime on regulation of legal services and legal services providers in the AIFC.

The AP is composed of five leading regulatory experts in the industry with considerable experience in advisory, development and enforcement of regulatory reforms in regulation of legal services in the UK.

## OBJECTIVES

The role of the AP is to provide strategic advice and expertise on legal regulatory framework in the AIFC; to share updates on the industry, advise on international best practices in the field of the legal services provision; and to create awareness as well as generate interest among lawyers and legal services providers both from the region and internationally by providing an excellent platform for disseminating messages around the world, focusing on the AIFC promotion and marketing in the field of legal services provision, and assisting the AIFC in achieving its overall objectives.

## 2.2. COMPOSITION OF THE ADVISORY PANEL



CHRIS KENNY

CHAIR OF THE AP, CEO OF THE MEDICAL  
AND DENTAL DEFENCE UNION OF SCOTLAND

Mr Kenny implemented the Legal Services Act 2007 (Act of the Parliament of the UK) by establishing the Legal Services Board (LSB), of which he then became the inaugural CEO. The LSB is the regulator of 10 legal regulators, including the Solicitors Regulation Authority and the Bar Standards Board. The LSB's initial focus was on reform and simplification to create the regulatory conditions for a more innovative and competitive market by using the 2007 Act to maximum effect, whilst pressing for its further evolution. Since 2015, he has been CEO of MDDUS, the UK's fastest growing clinical indemnity organisation. With his tremendous contribution and under his leadership, the AIFC Advisory Panel on Legal Regulatory Matters has been developing the AIFC to meet the highest international standards.



ALISON HOOK

MEMBER OF THE AP,  
DIRECTOR AND CO-FOUNDER OF HOOK  
TANGAZA

Ms Hook is a Director and co-founder of Hook Tangaza, an international professional services research and advisory consultancy. She leads on Hook Tangaza's technical assistance, trade and regulatory work and has advised legal regulators in the UK, Ireland, Australia, Norway and East Africa. Previously, Ms Hook was the Director and Head of International at the Law Society of England and Wales where she played a leading role in advocating for more open legal markets and working with government to develop an export promotion strategy for UK legal services.

Earlier in her career, Ms Hook worked for the European Commission, both in London and Brussels and for the Foreign and Commonwealth Office in London and Lagos. She graduated in economics and politics from the University of Edinburgh and holds a master's degree in economics from Warwick University and both an LLB and an MBA from the Open University. In 2008, she was recognised as The Lawyer's 'Hot 100'. She is currently Chair of the International Bar Association's Trade in Legal Services Committee.



CRISPIN PASSMORE

MEMBER OF THE AP, FOUNDER OF  
PASSMORE CONSULTING

Mr Passmore is a regulatory strategist in the world's most dynamic and forward-looking regulatory environment and legal market. He set up Passmore Consulting to support legal business, law firms and regulators assess and take opportunities in a changing legal world. As Executive Director at the Solicitors Regulation Authority (England and Wales), Mr Passmore has rethought regulation so that innovation and high professional standards can be combined to drive new entrants and economic growth. This includes the simplification of the regulatory codes and rules so that solicitors and firms are clear on the expected standards but free to work in different ways.

Mr Passmore also led significant operational teams that supervised and investigated law firms.

Previously Mr Passmore helped set up the LSB as the effective deputy to the CEO. The LSB was created to change the way legal regulation operated. This involved establishing its own regulatory model to oversee existing professional body regulators (including the SRA) from scratch. It also involved approval (or not) of regulators approach and rule book.



IAIN MILLER

MEMBER OF THE AP,  
PARTNER AT KINGSLEY NAPLEY LLP

Mr Miller is a Partner in Kingsley Napley LLP. He is a General Editor of Cordery on Legal Services, and a co-author of Butterworths' Guide to the UK Legal Services Act 2007, Chair of the Association of Regulatory and Disciplinary Lawyers, Member of Advisory Board of UCL's Centre for Ethics and Law review of the Statutory Framework for legal services in England and Wales, Member of the City of London Law Society's Professional Rules and Regulation Committee, Member of the Advisory Board of the International Bar Association's Professional Ethics Committee, Member of the International Bar Association's International Trade in Legal Services Committee. Mr Miller has specialised in regulatory and public law matters since 1994. His area of specialisation is legal services regulation where he advises law firms as well as providing policy, governance and litigation advice to legal services regulators in England and Wales.



PATRICIA ROBERTSON QC

MEMBER OF THE AP,  
BARRISTER AT FOUNTAIN COURT CHAMBERS

Ms Robertson QC has been praised by The Lawyer for her handling of major litigation spilling out of the recession, from professional negligence to regulatory to commercial disputes. Particularly experienced in managing large scale litigation including regulatory investigation, Ms Robertson successfully defended the longest case to date heard in the Solicitors Disciplinary Tribunal (SDT) in *SRA v Martyn Day and others* (2017) and on appeal (2018). She has acted for the SRA in high profile cases testing points of principle and has advised the Law Society on the standard of proof in disciplinary proceedings before the SDT. Ms Robertson has served a 6-year term on the Bar Standards Board (BSB) including 3 years as Vice-Chair. She was also appointed as a Deputy High Court Judge in 2016, and as a member of the Abu Dhabi Global Market's Appeal Panel in the same year.

## ACTIVITIES OF ADVISORY PANEL

Over the course of 2019, 4 AP Meetings were held, including the inaugural meeting in person on 1st July; 2nd via video conference on 10th of September; 3rd in person, which was held in London on 11th November 2019; and 4th in absentia in December 2019.

The AP conducted a comprehensive evaluation of the existing regime on the regulation of legal services in the AIFC and in the Republic of Kazakhstan. In addition to the conducted evaluation, Members of the Advisory Panel had discussions on practical aspects of the regulation of legal services with Minister of Justice of the Republic of Kazakhstan, the Chair of Kazakhstan Bar Association and members of the AIFC Legal Advisory Council.

In 2019 the AP reviewed and delivered the following concepts and strategic visions on regulating the legal profession and the legal services in the AIFC: (i) Policy paper on the introduction of the regulatory regime and proposed statutory instruments regulating legal services in the AIFC; (ii) The role of the AIFC Court in regulation of legal services in the AIFC; (iii) Concept paper on education and training of legal practitioners; (iv) Approach on recognition of foreign legal practitioners (including legal practitioners qualified in Kazakhstan); (v) Concept paper on the establishment of the AIFC Legal Services Authority (the AIFC LSA).



MEETING WITH MARAT BEKETAYEV, MINISTER OF JUSTICE OF THE REPUBLIC OF KAZAKHSTAN.  
NUR-SULTAN, KAZAKHSTAN, JULY 2019

# FIGURES BEHIND THE SCENE

INTERVIEW WITH AP CHAIR:



CHRIS KENNY

CHAIR OF THE AP, CEO OF THE MEDICAL AND DENTAL DEFENCE UNION OF SCOTLAND

## How does your past experience relate to your work on the advisory panel?

I have been involved in regulation on both sides of the fence for all of the second half of my career. As a telecoms regulator, I sought to encourage the development of broadband at the start of this century by finding a regime which encouraged market entry and avoided anti-competitive behaviour, looking to move away from detailed regulatory rules in favour of competition law. But I also intervened hard to bring prices down for consumers in the mobile telephony market where that was justified. Getting that right balance between encouraging innovation, competition and market development on the one hand, but also giving consumers – both individuals and firms – confidence in the fairness and high standards of the market was also integral to my work in establishing the Legal Services Board in the UK. So, I hope I have some worthwhile experience to bring on what works in regulation – and also what to avoid!

## What has attracted you to work with the AIFC ?

Over 25 years ago I worked in the UK Treasury on economic reform in the Former Soviet Union. Even in the early 1990s, it was clear how much economic potential Kazakhstan had and the drive and determination which the Government was prepared to bring in seeking to realise that. To return to the region many years afterwards, making a contribution to a major flagship initiative in continuing to press that development ever forward, seeing the immense progress made in the intervening period and the opportunities which still lie ahead, is enormously exciting.

## What would you say to somebody thinking about becoming involved with the AIFC for the first time?

Go for it! You will find it fascinating to be involved in a brand-new organisation that respects and wants to draw on all your existing skills, but will force you to think creatively and imaginatively about how to apply them in a fascinating context, which, for a Western European, blends the familiar and the wholly new in all kinds of exciting ways.



### **How important do you think the AIFC will prove to be in the history of Kazakhstan and Central Asia in general?**

It is difficult to understate the potential contribution which it might make, although, of course, much will depend on how many people choose to seize the opportunity. It seems to me that the AIFC can first, act as a conduit for finance and skills to develop Kazakhstan's natural resources, industries and people in all kinds of ways that a less flexible mechanism might not achieve. Second, and no less importantly, it can develop the professional services in the local economy essential to underpin that continued growth and development in the long-term. Finally, it offers a way to help maintain Kazakhstan's unique position and economic and cultural independence by helping to forge a model which draws on the best of local and Western initiatives, as well as the contribution of the country's larger Asian neighbours. And, of course, their potential is not just confined to Kazakhstan, as we can also see other countries beginning to look enviously at what has been achieved and seeing that as a potential model for their own development.

### **What contribution do you think the advisory panel will make to the AIFC's success?**

A small, but an important one, I hope. Kazakhstan has clearly understood the importance of the rule of law and commercial certainty in achieving its ambitions, and the AIFC model provides a strong route for doing that. However, the court and arbitration centre by themselves are not sufficient to provide that certainty: not every transaction can or should be litigated or mediated! The aim must be to ensure the legal infrastructure is there and operates with sufficient skill, competence and confidence to build trust in the AIFC Jurisdiction as a whole. That is why recognising the importance of a proportionate legal regulatory regime in fostering confidence among foreign investors and setting clear benchmarks for international and local firms alike is so important. If the panel can make a contribution to achieving this and helping the AIFC apply the lessons and avoid the pitfalls of other jurisdictions, we will have done a good job.



## UPDATE ON AIFC LAW

### 3.1. AMENDMENTS TO THE CONSTITUTIONAL STATUTE

New amendments to the Constitutional Statute on AIFC were introduced in December 2019 in order to fulfil requirements that set out by 71st step of Nation's Plan of 100 steps (Investment Tax Residency in the AIFC) and further development of AIFC activities. Overall, the amendments can be divided into two sets: (1) related to the investment tax residency program and (2) clarifying provisions related to the activities of the AIFC.

The investment residency program is a common practice in the modern world. According to the jurisdictional analysis, the investment residency market is experiencing a period of significant growth. Today there are more than 80 similar programs worldwide. In Kazakhstan, the investment tax residency program is launched in the AIFC and it involves obtaining an investment visa and tax residency of the country.

01

In order to obtain the 'investment resident' status, an investor shall invest in accordance with the 'residency by investment program' and meet the following requirements: the investor cannot be Kazakhstani tax resident and/or citizen of Kazakhstan for 20 years prior to application for participation in this program.

The main idea of the investment tax residency program is to attract investments in exchange for the right to receive a multiple-entry visa to Kazakhstan for a period of up to 5 years and an exemption from paying personal income tax on worldwide income.

02

The second set of amendments is addressed to improving the activities in the AIFC. For instance, AIFC participants, which provide financial services and are subject to corporate income tax exemptions, now exempted from the VAT as well. In addition, services/works of non-residents provided to the AIFC bodies or organisations are also exempted from the VAT. Besides, an adjustment was made to equate the decisions of the AIFC Court with all types of judicial acts of national courts.

## 3.2. NEW DEVELOPMENTS

### CROWDFUNDING

The Astana Financial Services Authority (the AFSA), a financial regulator of the AIFC, with the support of European Bank for Reconstruction and Development (the EBRD) developed and introduced regulatory framework for loan- and investment-based crowdfunding platforms, the first such framework in the region.

Crowdfunding is an innovative funding opportunity that allows small and medium enterprises and start-ups to obtain capital through small loans and equity investments from large number of investors through an internet-based platform. It represents an increasingly important alternative non-bank funding sources that will play an important role in economic growth of Kazakhstan and wider region.

This new framework is a flexible and risk-oriented regulatory framework aiming to effectively protect investors and clients of the crowdfunding platform. The features of the regulatory framework include the following: (1) two new Market Activities of Operating a Loan-based Crowdfunding Platform and Operating an Equity-based Crowdfunding Platform; and (2) establishment of prudential and conduct standards for operators of crowdfunding platforms including requirements on anti-money laundering and counter financing terrorist financing, fundraising limits, appropriate systems and controls, risk disclosure, conflict of interest and due diligence of firms using crowdfunding services.

## TRUST

The AIFC Trust Regulations 2019 provide a robust framework for the establishment, redomiciliation, operation and termination of trusts in the AIFC. They were drafted with a view to providing a detailed and modern regime that is in line with international best practice.

Among the fundamental features set out in the AIFC Trust Regulations 2019 are the following:

**A**

Nature of trust – a trust is not a legal person but rather a kind of arrangement. It is created by a settlor and involves the transfer of property owned by that settlor to another person (or persons) as trustee(s). The trustee(s) hold(s) the property on trust for the benefit of one or more beneficiaries or for a purpose (charitable or non-charitable).

**B**

The role of the AIFC Court – the AIFC Court has jurisdiction over a trust that is an AIFC trust or where a trustee of a foreign trust is AIFC participant, as well as over property of a foreign trust situated or administered in the AIFC. Interested parties (including settlors, trustees, and beneficiaries) may apply to the AIFC Court to make orders in relation to the trusts and trust property within its jurisdiction.

**C**

Role, duties, and powers of trustees – trustees are natural or legal persons and are typically designated by the terms of a trust. Part 7 of the AIFC Trust Regulations 2019 sets out the mechanism for the acceptance, resignation and replacement of trustees, as well as the circumstances in which they can be removed by the AIFC Court, the remuneration of trustees and the use of advisory trustees.

**D**

Liability of trustees – liabilities of trustees and the consequences of their breach of trust as adopted in a range of international financial centres (including Jersey and the DIFC) has been followed in the AIFC Trust Regulations 2019, whereby the terms of a trust cannot release a trustee for breaches of trust arising from fraud, wilful misconduct or gross negligence.

In view of the widespread use of trusts by the financial services industry – ranging from the custody of assets held on trust as part of a wealth management service to the holding of assets on trust by a security trustee in a secured lending transaction or the use of trusts in corporate structuring – particular attention has been paid to the appointment by trustees of custodians, nominees and agents. These provisions adapted from the Singapore Trustees Act, which provides a detailed framework for matters such as the appointment, liability and remunerations of custodians, nominees, and agents.

## COMMON REPORTING STANDARD

The new AIFC Common Reporting Standard Framework provides the AIFC with a regulatory framework for the reporting and exchange of tax information in the AIFC. Kazakhstan entered into the Multilateral Competent Authority Agreement in June 2018. Therefore, and in order to require financial institutions to report relevant tax information, the AIFC implemented a Common Reporting Standard. This allows to report and set out its format according to the standards set by the OECD in its model Common Reporting Standard (2014).

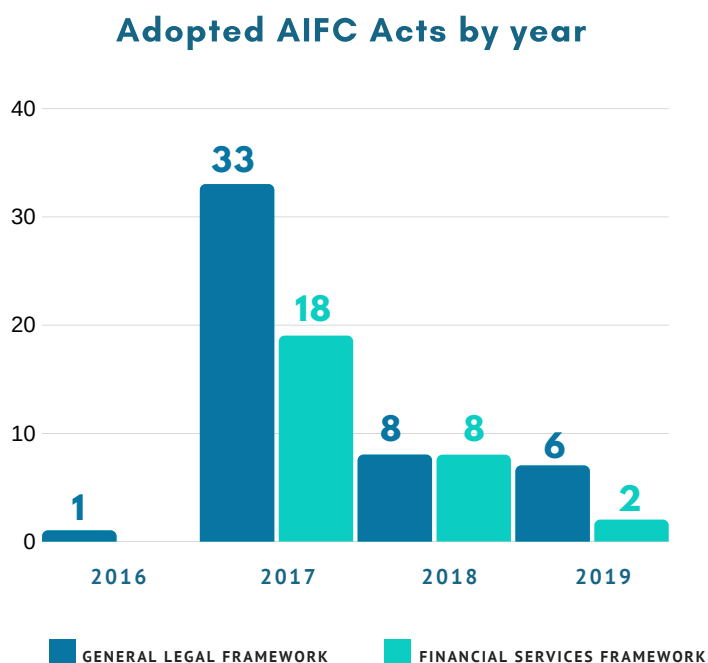
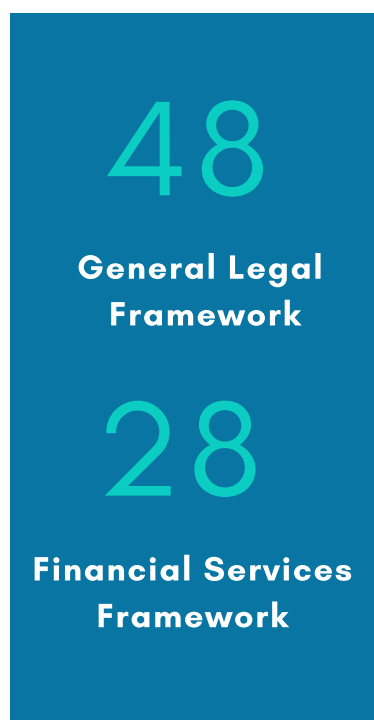
The AIFC Common Reporting Standard Framework sets up a common reporting standard by:

- a.** imposing certain obligations on reporting financial institutions in relation to collecting and reporting information under the Common Reporting Standard;
- b.** appointing the AFSA as the Relevant Authority for the administration and enforcement of matters related to the Common Reporting Standard in the jurisdiction;
- c.** describing the information required to be provided by reporting financial institutions; and
- d.** appointing a Competent Authority to receive the information from financial institutions.

The Framework is based on the model OECD Common Reporting Standard, appropriately adapted to reflect the governance structure in the AIFC.

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### 3.3. AIFC LAW IN FIGURES



Over the course of 2019, 7 General Legal Framework Acts and 2 Financial Services Framework Acts were adopted.

#### AIFC GENERAL LEGAL FRAMEWORK

AIFC Foundations Regulations 2019

AIFC Common Reporting Standard Regulations 2019

AIFC Common Reporting Standard Rules 2019

AIFC Rules on Creation, Maintenance and Use of AIFC Register of Identification Numbers and on Formation of Identification Numbers for AIFC Bodies, their organisations and AIFC Participants 2019

**AIFC Trust Regulations 2019****AIFC Preferential Creditor Rules 2019**

AIFC Rules on Establishment, Maintenance and Use of AIFC Register of Identification Numbers and on Formation of Identification Numbers for AIFC Bodies, their Organisations and AIFC Participants 2019

**FINANCIAL SERVICES FRAMEWORK****AIFC Financial Technology Rules 2019**

AIFC Rules on Facilitating the Safekeeping and Settlement of The Sovereign Bonds 2019

## RAISING AWARENESS OF AIFC JURISDICTION

### 4.1. AIFC LAW: FURTHER STEPS TO DEVELOPMENT

The AIFC Law Conference took place on 3 July 2019 in Nur-Sultan under the umbrella of Astana Finance Days.

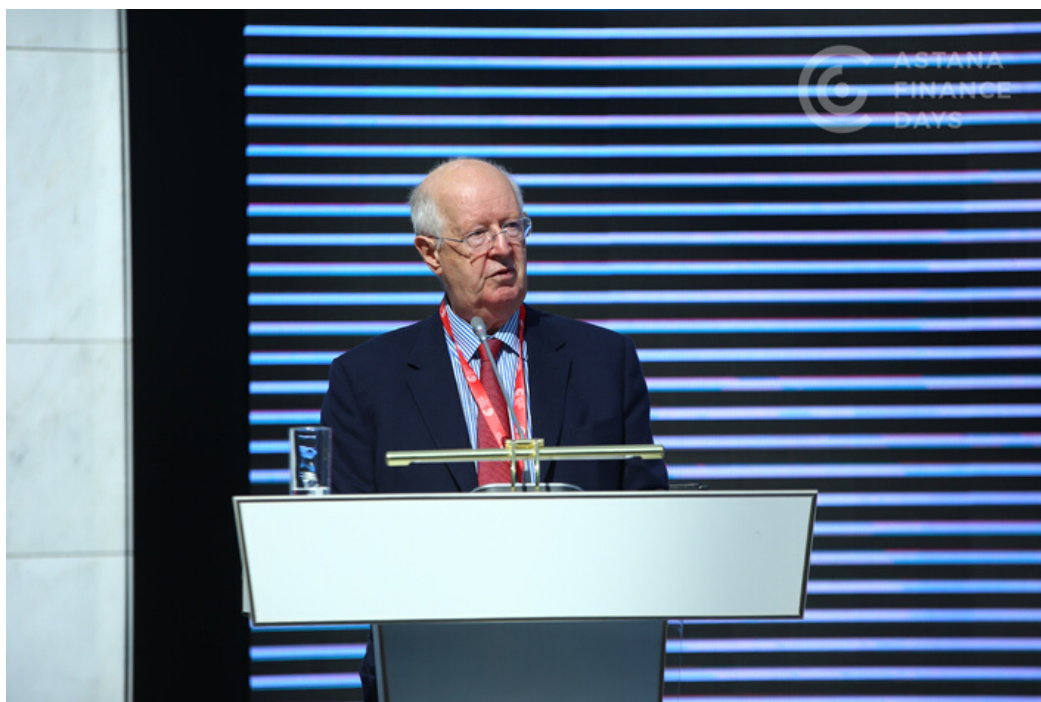
The AIFC Law Conference was dedicated to the AIFC Jurisdiction and its further steps to development. About 250 participants attended the major legal event on the AIFC Law in 2019: they are representatives of leading international law firms such as Baker McKenzie, White & Case, Norton Rose Fulbright, Curtis Mallet-Prevost, embassies, universities, professors and lawyers from around the world.

The guests had a privilege to hear some insightful presentations and discussions from the reputable international speakers, amongst which are highly acclaimed authors, well-respected international chief justices, judges, and legal experts such as: the Rt Hon. The Lord Woolf CH (Chief Justice of the AIFC Court), Barbara Dohmann QC (Chair of the AIFC International Arbitration Centre) and Michael Blair QC (Chair of the AIFC Legal Advisory Council).

The speakers discussed important updates on the AIFC Law and explained the features of legal profession in the AIFC. They also considered the practical aspects on the application of the AIFC Law and the possibility of implementation of maritime and transport initiatives within the AIFC.

A special attention was given to the AIFC Court, which operates on the principles of the law of England and Wales. The discussion covered the AIFC Court as a convergence of the common law and the civil law. The speakers emphasized the importance of an alternative dispute resolution at the IAC – a tool to the promotion of business relations in Eurasia and beyond.

During the Conference, the Declaration on the AIFC Law Conference was adopted by acclamation. It was presented by one of the distinguished guests of the Conference, Mr Michael Blair QC, the Chair of the AIFC Legal Advisory Council and Leading Counsel at 3 Verulam Buildings Barristers (United Kingdom). (see the Annex)



Participants of the conference learned more about the AIFC Law, its practical aspects, and opportunities for businesses. Based on obtained information and discussions during the conference, participants agreed to actively consider, through the appropriate channels, to establish a network and deepen international communication and cooperation to further develop the AIFC Jurisdiction and strengthen the sharing of best practices, experience and outcomes in the relevant fields of law.

## 4.2. 2-DAY SEMINAR FOR DEPUTY GOVERNORS OF REGIONS

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On 21-22 October 2019, Deputy Governors of the regions and cities of Nur-Sultan, Almaty and Shymkent, representatives of central governmental bodies and competent organisations, regional directors of "Kazakh Invest" NC JSC, representatives of regional organisations on investments attraction participated in the seminar on investment matters.

1. On the first day of the seminar, Deputy Governors and representatives of central and local public bodies were acquainted with the activities and infrastructure of the AIFC, activities of the Astana International Exchange, the AIFC Court, the International Arbitration Centre, the Astana Financial Services Authority, the AIFC Green Finance Centre and fintech initiatives as well as the mission and goals of the AIFC bodies.

Also, under the chair of Mr Askar Mamin, the Prime Minister of the Republic of Kazakhstan, the meeting of the Coordination Council on Investments was held at the AIFC premises on the same day. To increase investment activity in the regions, the Prime Minister instructed to explore the opportunity of the implementation of projects structured under the AIFC law and using its jurisdiction.



2. On the second day of the seminar, a practical program was presented with presentations of the registered companies in the AIFC: **Halyk Finance, China Construction Bank, China Development Bank, Ozara Finance Limited, KazPV Ltd, Global Apartments Ltd, Emirates Legal Ltd, FD Legal, Russel Bedford A+ Partners, Tabys Agro Ast, DeHeng, and Traktor.kz.**

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Large financial institutions such as Halyk Finance, China Construction Bank, and China Development Bank delivered speeches on the advantages of registering in the AIFC Jurisdiction and opportunities for assisting in attracting foreign investments.

This “Acquaintance with the AIFC” format was aimed not only at theoretical familiarization with the activities of the international financial centre but also at practical knowledge and skills for use in the work of the regions in preparing real investment projects.



At the end of the seminar, Deputy Governors were fully acquainted with the AIFC activities, using the AIFC financial instruments to ensure sustainable economic growth and attraction of foreign direct investments into the regions.

Thus, this seminar has contributed to the promotion of AIFC platform to increase investment flow in the regions, reformatting the work with investors and connecting to the new algorithm for attracting investments through the AIFC platform.

### 4.3. WORLD INVESTOR WEEK 2019

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From 30 September to 6 October 2019, the AIFC held the World Investor Week to raise awareness of consumers protection, investors education, financial services and to highlight the opportunities for doing business in the AIFC.

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World Investor Week is held annually under the auspices of the International Organization of Securities Commissions (IOSCO) and over 80 jurisdictions from 6 continents celebrate it. IOSCO is the international organisation that brings together the world's securities regulators. This organisation regulates more than 95% of the world's securities markets in more than 115 jurisdictions.



In 2019, as part of the national campaign called Investor Awareness Roadshow, representatives of the Legal Group participated in events organised in Petropavlovsk, Aktau, Karaganda, and Turkestan. During these events, Legal Group representatives delivered presentations about the AIFC's legal regime, its advantages and peculiarities, as well as answered questions related to the Acting Law of the AIFC.

#### **4.4.2019 INVESTOR STATE DISPUTE SETTLEMENT MEDIATION COLLOQUIUM AT HARVARD UNIVERSITY**

On 3-4 December 2019, the First Deputy CEO of the AIFC Authority, Marat Aitenov participated in Investor State Dispute Settlement Mediation Colloquium at Harvard University, and presented practical benefits of AIFC and shared his expertise, experience with representatives of the legal community from different jurisdictions.

## 4.5. AIFC REGISTERED LAW FIRMS

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By the end of 2019, the latest record indicates that there are 363 AIFC Participants representing 35 jurisdictions. The number of AIFC registered legal services providers increased by 20 and totalling 29 at the end of 2019. The legal market of the AIFC is represented by leading local, regional, and international law firms ready to address your inquiries on legal matters in the AIFC.

For ease of access to justice and legal services, 17 out of 29 AIFC registered law firms are residents in pavilions C 3.1 (Law Pavilion) and C 4.2 of the AIFC Expo premises. This is one of the biggest achievements of 2019 to create comfortable and supportive business environment for business needs of the AIFC Participants. This number of law offices in walking distance to AIFC Participants is also complemented by the AIFC Law Pro Bono Office located in pavilion C 3.1 (Law Pavilion) where AIFC Participants can obtain free of charge legal advice on the Acting Law of the AIFC.

### COLLABORATION WITH LEGAL COMMUNITY OF THE AIFC – WELCOME RECEPTION

Since the launch of the AIFC, Legal Group of AIFC Authority has been heavily involved in collaboration with the legal community and as a result of such intense interaction, 29 companies providing legal services have already registered in the AIFC.

Aiming further development of the AIFC Jurisdiction, it is vital to closely collaborate with the legal community and keep them abreast of the latest developments and initiatives in the AIFC. Importance of collaboration with law firms is related to the fact that lawyers have a pivotal role in the administration of justice and law, a role that is defined by the fearless and independent defence of rights, not just for individual clients but also for the community as a whole.

In this regard, on 12 December 2019, the Welcome Reception was hosted by the AIFC Authority for AIFC registered law firms and Participants. This Welcome reception was the first of its own kind where more than 16 law firms were assembled together for discussion of ongoing trends in the development of the AIFC Jurisdiction, AIFC Law Pro Bono Office activity and the crucial role of the legal market in development of knowledge-based and strong legal market in the AIFC.

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The major outcome of this event was bridging communication within the legal community of the AIFC for further joint work on development of administration of justice and law.

During this event, the AIFC Academy of Law awarded the Letters of Appreciation to the teaching staff that helped the Academy to conduct the first AIFC Foundation Programme for Future Lawyers. All lecturers received outstanding feedback from students and were recognised by the Head of the AIFC Academy of Law David Gallo for their hard work, thoughtfulness, creativity, caring to the students of the Academy and sharing their valuable knowledge.



Also, during the event the AIFC Academy of Law and Kazakhstan Bar Association signed a Memorandum of Understanding as background for further cooperation.



LEGAL CONSULTING  
COMMUNITY LTD. WAS  
AWARDED FOR SUPPORT OF  
THE AIFC INITIATIVE  
ON AIFC LAW PRO BONO  
OFFICE



1ST TIME ASSEMBLING  
OF 16 AIFC REGISTERED  
LEGAL SERVICES  
PROVIDERS



MEMORANDUM OF  
UNDERSTANDING  
BETWEEN THE AIFC ACADEMY OF  
LAW AND KAZAKHSTAN BAR  
ASSOCIATION ON COLLABORATION  
AND JOINT WORK ON  
DEVELOPMENT OF LEGAL  
SERVICES MARKET

## 4.6. AIFC ACADEMY OF LAW

With the globalisation of business activities, and given that the AIFC is operating within a global economic context, it is crucial for the AIFC to bridge this gap by increasing awareness of its legal system for the benefit of both AIFC and non-AIFC lawyers from different backgrounds and jurisdictions. To advance the AIFC brand and reputation, and to provide key public services based on market needs, the AIFC Academy of Law was established within the AIFC Authority. The AIFC Academy of Law is a platform established to provide legal education programs on the AIFC Law and international commercial practice.

### MISSION

The mission of the AIFC Academy of Law is the development of the AIFC legal system through teaching students the principles of the AIFC Law, as well as providing legal education with international value.

### OBJECTIVE

The main objective of the AIFC Academy of Law is to provide learning and development services. This institution functions as the education, information and promotional institution for familiarizing the legal community with the AIFC legal system, principles of AIFC Law, and dispute resolution options – which constitute the core components of the AIFC value proposition.

### PURPOSE

The strategic purpose of the AIFC Academy of Law is driving the development of the intellectual capital of the legal profession and promoting legal knowledge, which is necessary for working in the AIFC Jurisdiction.

## STRATEGY

To prepare professionals for international commercial law practice; cooperation with international education institutions; provision of other educational services.

## ACTIVITIES

The AIFC Academy of Law's main activities are as follows:

- 1) training specialists for work in the AIFC Jurisdiction;
- 2) legal publications in order to raise awareness of the AIFC and its Jurisdiction;
- 3) organization of educational and informational events for the legal community;
- 4) provision of Pro Bono platform for providing free legal consultations by law firms to interested parties at no cost.

IGOR ROGOV

MEMBER OF THE ACADEMIC  
COUNCIL OF THE AIFC  
ACADEMY OF LAW

“ We had founded the AIFC Academy of Law in August 2019 and worried how would it go, and whether we would make it or not. Today we see that everything went according to the plan, but it is just a beginning! ”

### LEGAL EDUCATION PROGRAMS

Core objectives of the AIFC Academy of Law are preparing lawyers for international commercial law practice in and around the AIFC, by collaborating with leading partner institutions abroad, developing relevant services for the legal community, and expanding its reach to help promote the AIFC and its dispute resolution system. These objectives are guided by a prudent assessment of market needs for such legal services, to help develop the AIFC as a regionally recognised and leading centre for legal excellence.

The AIFC Academy of Law thus set up in response to the needs of the business and legal community for a high quality and flexible education, information, and ancillary services platform.

Establishing the legal community's confidence in the AIFC Jurisdiction requires formation of a sound education institution that effectively communicates with the legal community, trains its representatives, and publishes relevant information and commentaries to AIFC legislation.

Therefore, the AIFC Academy of Law's core functions relate to the provision of the legal education programs and thus training lawyers, young legal professionals, and business managers.



CLIFFORD CHANCE, INTEGRITES AND AIFC ACADEMY OF LAW JOINT SEMINAR "USE OF LEGAL PRIVILEGE IN FOREIGN COURTS AND ARBITRATIONS", 11 DECEMBER 2019

## LEGAL EVENTS

The AIFC Academy of Law systematically works on promoting and improving the AIFC General Legal Framework and attracting new participants by cooperating with law firms, associations and financial institutions to implement global best practices for sustainable development of the AIFC and establishing mutual cooperation with foreign partners. It is also important to set-up a platform for discussing topical issues related to the AIFC's activities and prospects for further development with interested persons. This approach will allow the AIFC to achieve a better understanding of the needs of the Kazakhstan professional community and of foreign partners, while establishing a supportive, constructive environment for AIFC Participants and other relevant entities.

Therefore, the organisation of conferences in Kazakhstan and other countries in the Eurasian region that are devoted to potential and current issues related to the AIFC General Legal Framework is crucial. These events will provide a unique knowledge-sharing and networking opportunity for leading representatives of the legal profession, international law firms and their clients, representatives of international arbitration centres, courts, and representatives of business communities.

Developing and delivering panel sessions in the region's largest and globally recognised law conferences, forums and seminars are also essential activities for promoting the brand and value of the AIFC. The practical relevancy of these events to the international and regional legal communities, along with their global scale, will create a unique opportunity for the AIFC Academy of Law to establish a constructive dialogue with potential partners. In addition, it will provide a constructive dialogue and discussion of the proposals of leading international financial institutions and organisations in the field of law, which will contribute to achieving goals and objectives defined by the Constitutional Statute on AIFC.

The AIFC will benefit from the AIFC Academy of Law's ongoing commitment on promotion of the AIFC Law in Kazakhstan and worldwide. Thus, organisation of conferences/seminars/panel sessions in Kazakhstan and abroad devoted to topical and current issues related to the AIFC General Legal Framework is crucial.

## **AIFC LAW PRO BONO OFFICE**

The AIFC Law Pro Bono Office allows individuals and company representatives who cannot afford a lawyer the ability to seek legal advice and consultation from volunteer lawyers free of charge. The AIFC Law Pro Bono Office is a unique platform which represents the set of traditional pro bono values with wider implications for the AIFC. It aims to develop legal services and support for AIFC Participants and their employees.

It is vital to mention that by organising pro bono sessions under the AIFC Law Pro Bono Office, the AIFC Academy of Law assists the general public to obtain access to justice. Lawyers and law firms who participate in providing pro bono services also provide them with positive public relations and relationship development benefits, as well as an opportunity to train junior lawyers.

The Concept of the AIFC Law Pro Bono Office was approved by decision of the AIFC Authority Management Board on 25 December 2018. The AIFC Law Pro Bono Office launched on 01 July 2019 in Nur-Sultan under the umbrella of Astana Finance Days. The AIFC Academy of Law organised fortnightly pro bono session under the AIFC Law Pro Bono Office. To date, starting from August 2019, 11 pro bono sessions were conducted by volunteer lawyers of the AIFC Participant Law Firms and more than 40 clients were advised under the AIFC Law Pro Bono Office.



## ACADEMIC COUNCIL OF THE AIFC ACADEMY OF LAW



**CHAIR:**  
PROFESSOR ALEXANDER VAN DE PUTTE  
(CHIEF STRATEGY OFFICER OF THE  
AIFC).



**DEPUTY CHAIR:**  
MARAT AITENOV (FIRST DEPUTY  
CHAIRMAN OF THE MANAGEMENT BOARD  
OF THE AIFC AUTHORITY)



**MEMBER:**  
DAVID RUSSELL GALLO  
(AIFC AUTHORITY EXPERT, HEAD OF PMO  
ON AIFC ACADEMY OF LAW)



**MEMBER:**  
VICTOR MALINOVSKIY (MEMBER OF THE  
CONSTITUTIONAL COUNCIL OF THE  
REPUBLIC OF KAZAKHSTAN)



**MEMBER:**  
IGOR ROGOV (DEPUTY EXECUTIVE  
DIRECTOR OF THE FOUNDATION OF THE  
FIRST PRESIDENT OF THE REPUBLIC OF  
KAZAKHSTAN - ELBASY)



**MEMBER:**  
CHRISTOPHER CAMPBELL-HOLT  
(AIFC COURT AND IAC CHIEF EXECUTIVE  
& REGISTRAR)



**MEMBER:**  
SHEIKH BILAL KHAN (CHIEF  
ISLAMIC FINANCE PILLAR OFFICER OF  
THE AIFC)



**MEMBER:**  
NAFISA ABDULLAEVA (DIRECTOR  
OF LEGAL ADVISORY DIVISION AT AFSA)



**MEMBER:**  
ARMAN TASTANBEKOV (CHIEF  
LEGAL OFFICER OF AIX)

With the aim of developing the AIFC Academy of Law in accordance with international best practices, the Academic Council of the AIFC Academy of Law was established in accordance with the Order of the Governor of the AIFC No. 12-142/П dated 07 October 2019.

To date, two meetings have been held (in-person and in absentia), at which important strategic decisions were made on the activities of the Academy of Law and plans for 2020 were approved.

The members of the Academic Council are well-known professionals within the legal ethos who are working in education, law, or other related sectors.

### AIFC FOUNDATIONS PROGRAM FOR FUTURE LAWYERS 2019

On 3 September 2019, the AIFC Academy of Law launched legal educational program “AIFC Foundations Program for Future Lawyers”. The Program started with the introductory sessions held by Mr. David Gallo, Head of the AIFC Academy of Law and Mr. Igor Rogov, well-known global expert in constitutional law.

The program consisted of five (5) modules covering the key “foundational” subjects required for students to gain a comprehensive understanding of the AIFC legal system. The program included the following modules: Foundations in AIFC Legal Framework; Foundations in AIFC Dispute Resolution; Foundations in AIFC Financial Services Regulation; Foundations in the Astana International Exchange (AIX); and Foundations in Islamic Finance.



Each module provided a total of five hours of classroom time, delivered as live lectures by AIFC executives, employees, and experts who were subject matter specialists. Mandatory pre-work reading assignments had to be completed prior to each lecture. Students had to spend approximately three hours of preparation work for each one hour of live lectures (thus, approximately 15 hours of preparation time for each five-hour lecture module).

In total, the Program consisted of 100 hours, 25 hours for live lectures and 75 hours for pre-work reading/preparation. Some lecturers assigned additional post-lecture work to reinforce the learning process. The lectures took place in the evening at the AIFC to accommodate student schedules. Lectures were held every Tuesday from 17-00 to 19-00 in the AIFC premises in accordance with the schedule.

The final session for each module consisted of a writing and/or presentation assessment whereby students were given the opportunity to assess their knowledge on specified topics. These assessments were evaluated by the instructors.



To participate in the AIFC Foundations Program for Future Lawyers, students had to meet the following criteria:

- A** be currently enrolled in their third or fourth year of undergraduate legal studies, or in a postgraduate law program, or in other related disciplines (i.e. business and management; interdisciplinary programs related to business, management and law, public administration, etc.);
- B** have proficient English language speaking and writing skills; and
- C** pass an interview before the commission, which included Program lecturers and representatives of the AIFC Academy of Law.

54 students from 4 universities of Kazakhstan (Nazarbayev University, KazGUU, ENU, KIMEP) and 2 foreign universities (BPP, University of Edinburgh) were enrolled to the AIFC Foundations Program for Future Lawyers. Eventually, certificates were granted only to students who had (i) successfully completed all five Foundations modules (including the pre-work and attendance at all lectures), and (ii) passed the assessment.

On 9 December 2019, Foundation Program for Future Lawyers award ceremony was held where 32 students were granted with Certificates of successful completion and 11 of them with honours.



Also, during this event memoranda were signed on cooperation between the AIFC Authority and KAZGUU and ENU universities.



## AIFC LEGAL TALKS

AIFC Legal Talks is the unique educational, informational and discussion platform under the AIFC Academy of Law umbrella, the mission of which is raising public awareness of the rule of law and other core values of the legal profession, to enhance public interest in the learning of law and to promote law as a “public profession”, to further AIFC objectives and position itself as a centre of legal services excellence.

Particularly, the organisation of the AIFC Legal Talks events brings manifold benefits as:

- A** connecting the legal community and promoting the positive relationships and fruitful exchange between legal professionals;
- B** promoting the AIFC, its Jurisdiction and services provided in the AIFC by hosting speakers.



The AIFC Legal Talks events are hosted on a quarterly basis with the engagement of international and local speakers of significant experience and knowledge in the relevant legal field. AIFC Legal Talks events provide for the permanent and distinct platform on familiarisation and promotion of the legal knowledge, and discussion of the highly demanded legal matters and current trends in the legal services between the business and legal community, and notable international and local speakers. In order to ensure the interest of the audience and further expand potential audience, the AIFC Legal Talks series are conducted by the most prominent legal practitioners and professionals with notable practical and theoretical experience presenting unique topics with edgy titles.

The AIFC Legal Talks programmes are comprised of several informative talks conducted by one or several speakers. Each Legal Talks event is divided into several sessions, such as topic discussion part conducted solely by the speakers and Q&A part, where the speakers interact with the audience. For the purpose of presentation of the speakers and regulation of the interaction of the speakers with the audience, the AIFC Legal Talks are administered by the moderators with relevant skills and experience.

The AIFC experts, representatives of the AIFC Participants and other partners have been already engaged as the speakers in the AIFC Legal Talks series (please see attached table). The primary target audience of the AIFC Legal Talks events are representatives of the local and regional law firms and AIFC Participants. Students of the higher education institutions are also desired audience to attend the AIFC Legal Talks events. However, in order to promote the events far and wide across the AIFC's network, people from different areas of practice and from around the world have been invited to join AIFC Legal Talks series. To expand the audience of the Talks, promotion and marketing activities are carried out using all possible means.



The format of the AIFC Legal Talks events and AIFC's platform also provides a unique opportunity to the businesses to promote themselves and their activities by:

- A** providing their speakers;
- B** presenting topics; and
- C** distributing its materials.

Such partnership relations will be mutually beneficial for the businesses looking for promotion of its activities at the AIFC platform.

First AIFC Legal Talks events were hosted by the Legal Group of the AIFC Authority and had the following conditions:



1. INTERNATIONAL FINANCIAL CENTRES ARE NOT JUST FOR FINANCIAL FIRMS & HOW TO BENEFIT FROM THE LEGAL STRUCTURES IN THE FINANCIAL CENTERS
2. IS LAW TECH THE MODERN DICK THE BUTCHER



1. ALCHEMY OR ACID TEST: IS IT LEGAL?
2. INNOVATIVE DISPUTE RESOLUTION IN THE AIFC: THE AIFC COURT AND INTERNATIONAL ARBITRATION CENTRE
3. THE IMPORTANCE OF KNOWLEDGE BASED LEGAL SYSTEM DEVELOPMENT AT THE AIFC



1. AIFC LEGAL FRAMEWORK: YEAR AND A HALF IN ACTION. WHAT ELSE IS NEEDED TO DEVELOP FOR BUSINESS?
2. IS THERE A NEED FOR REGULATION OF LEGAL SERVICES IN THE AIFC?



On 17 September 2019, the AIFC Academy of Law hosted the AIFC Legal Talks, where guest speakers of the panel focused on discussion of the topic “Legal Tech: Current Trends and AIFC Experience”. The event was a huge success, attracting over 120 participants, many of the distinguished guests were the attendees of the IACA Conference held earlier in the day.

The final in 2019 AIFC Legal Talks event was hosted on 10 December 2019. The speakers discussed and shared their views and opinions at the panel session entitled “The Future is Now. Operating in Dual System Legal Environment”. After this event, the AIFC Academy of Law and LexisNexis have entered into a Memorandum of Understanding with a view toward collaborating in developing and delivering learning.



LEGAL TECH: CURRENT TRENDS AND  
AIFC EXPERIENCE



THE FUTURE IS NOW OPERATING IN  
DUAL SYSTEM  
LEGAL ENVIRONMENT



## INFORMATION SESSIONS OF THE AIFC ACADEMY OF LAW

With the aim of raising awareness of the public the AIFC Academy of Law info-sessions were held in 2019 in some education institutions of Nur-Sultan. First information session was conducted on 18th November 2019 at KAZGUU University, where Head of the AIFC Academy of Law David Gallo informed students about the structure of the AIFC Ecosystem, AIFC Development Strategy, AIFC Legal Framework, the AIFC Academy of Law and its programs in 2020.

The same info-sessions were held in Eurasian National University (20 November 2019) Academy of Public Administration under the President of the Republic of Kazakhstan (12 December 2019). In total, above-mentioned information sessions were attended by more than 100 students and civil servants.



## JOINT SEMINAR WITH CLIFFORD CHANCE AND INTEGRITES LAW FIRMS

On 11 December 2019 international law firms Clifford Chance and Integrates in association with AIFC Academy of Law held a joint seminar "Use of Legal Privilege in Foreign Courts and Arbitrations". Speakers talked about disclosure/discovery in foreign courts and international commercial and investment arbitration, types of legal privilege, how Kazakh companies can benefit from them and how legal privilege might be lost.



## MOU SIGNING WITH ABAI KAZAKH NATIONAL PEDAGOGICAL UNIVERSITY

On 30 December 2019, Mr. Igor Rogov, Member of the Academic Council of the AIFC Academy of Law, and Mr. Takir Balykbayev, Rector of Abai Kazakh National Pedagogical University have entered into a Memorandum of Understanding with a view toward collaborating in developing and delivering learning and development programs. These courses will focus on training lawyers and students in AIFC law and practice, and on preparing them for working effectively in an international commercial setting.



## ANNEX



**AIFC LAW CONFERENCE**  
**AIFC LAW: FURTHER STEPS TO DEVELOPMENT**  
3 July 2019  
NAZARBAYEV CENTRE, NUR-SULTAN



### ***Declaration on the AIFC Law Conference***

The AIFC Law Conference was convened in Nur-Sultan, Kazakhstan on 3 July 2019 hosted jointly by the AIFC Authority and the Foundation of the First President of the Republic of Kazakhstan – Elbasy and attended by more than 200 participants from around the world.

The participants, through this conference, learned more about the AIFC legal regime, its practical aspects and opportunities for businesses related to the unique legal framework and other features of the AIFC jurisdiction. The AIFC greatly contributed to the enhancement of the rule of law in the region of Central Asia, the Caucasus, Eurasian Economic Union, the Middle East, West China, Mongolia, Europe and Belt and Road countries through introducing its own free-standing legal regime based on the principles of the law of England and Wales and standards of leading global financial centres.

Focused on the theme “AIFC Law: Further Steps to Development”, and in a friendly, pragmatic and constructive way the participants carried out mutual

exchange and in-depth discussions in several legal areas, including further development of the AIFC Law; ensuring the core principles of rule of law are maintained through quality legal services; ensuring independent financial regulation; and potential development of maritime, aviation in the AIFC jurisdiction.

With the objective of strengthening exchange and enlarging cooperation on the further development of the AIFC jurisdiction among the international and local business community, the participants expressed the following views:

1. The AIFC legal regime contributes to supporting the core principles of the rule of law.
2. The participants support the Acting Law of the AIFC based on the principles, norms and precedents of the law of England and Wales and standards of leading global financial centres, promoting a special legal environment familiar to investors around the world.
3. The participants will use all reasonable endeavours to choose the Acting Law of the AIFC as the governing law in their contracts and in settlement of disputes.
4. The AIFC encourages an independent, strong, diverse and effective legal profession.

5. The AIFC stimulates new initiatives in the legal field, which would beneficially impact for all AIFC participants' activities.

Based on the achievements of the AIFC Law Conference, the participants actively consider, through the appropriate channels, to establish a network and deepen international communication and cooperation to further develop the AIFC jurisdiction and strengthen the sharing of best practices, experience and outcomes in the relevant fields of law.

This declaration is adopted by acclamation on 3 July 2019 in Nur-Sultan, Kazakhstan in the official language of the AIFC, the English language.

## ACKNOWLEDGEMENT

### DEAR READER!

**Thank you for your interest!**

**You are one of the inspirations and motivation of this Annual Report on Legal Matters, therefore your opinion and comments are important for us.**

**We will be very happy to receive your feedback via email:**

**[LegalDevelopment@aifc.kz](mailto:LegalDevelopment@aifc.kz)**

**Yours sincerely,**

AIFC Authority Legal Group



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