



**The Structure of the Bodies of the
Astana International Financial Centre**

**Resolution of the AIFC Management
Council No. 20-27/1814 of 26 May 2016
(with amendments as of 9 October 2017)**

The Structure of the Bodies of the Astana International Financial Centre

Section I General provisions

1. The Astana International Financial Centre Management Council based on Articles 9 and 10 of the Constitutional Law of the Republic of Kazakhstan “On the Astana International Financial Centre” No. 438-V dated 7 December 2015 (the “**Constitutional Law**”), taking into account powers given to the Astana International Financial Centre Management Council by the Constitutional Law and the best international practices on the formation of leading international financial centres with the aim of:

- creating the most favourable environment for the development of the Astana International Financial Centre (the “**AIFC**”);
- creating conditions conducive to the effective conduct of business by the AIFC Participants (as defined in the Constitutional Law); and
- ensuring coordination of the activities of state bodies of the Republic of Kazakhstan and the AIFC's bodies,

hereby determines the competence and day-to-day activities of the AIFC's bodies and approves the following structure of the AIFC's bodies:

- 1) the Astana International Financial Centre Management Council (the “**Council**”);
- 2) the Governor of the Astana International Financial Centre (the “**Governor**”);
- 3) the Astana Financial Services Authority (the “**AFSA**”);
- 4) the Astana International Financial Centre Authority (the “**AIFC Authority**”);
- 5) the courts of the Astana International Financial Centre (the “**AIFC's Courts**”); and
- 6) the Astana International Arbitration Centre (the “**AIAC**”).

Section II The Governor

Article 1

2. The Governor is hereby established as one of the AIFC's bodies pursuant to paragraph 3 of Article 10 of the Constitutional Law. The Governor is an official person of the AIFC with special administrative and managerial functions and regulatory powers for the purposes of coordinated the functioning of the AIFC's bodies, including their interaction with the state bodies of the Republic of Kazakhstan, international organizations, institutions, legal entities and individuals, and other entities.

3. The Governor shall be appointed and dismissed by resolution of the Council.

4. The main objective of the Governor is the gradual formation, effective functioning and successful development of the AIFC.

Article 2

5. The Governor operates independently of other state bodies and officials, political parties and other public associations and the powers (s)he exercises are conferred upon him/her by the Council, to which (s)he is accountable.

6. Accountability of the Governor to the Council means:

- the Governor is appointed and dismissed by the Council;
- the acts, directions and orders issued by the Governor in the day-to-day conduct of his/her duties may be ratified or annulled (as the case may be) by the Council; and
- the Governor must submit an annual report on the activities of the AIFC and its bodies to the Council.

7. The Governor is guided by the AIFC's Regulations (as defined in the Constitutional Law), the Constitutional Law and the Constitution of the Republic of Kazakhstan (the “**Applicable Law**”), decrees of the President of the Republic of Kazakhstan and international treaties of the Republic of Kazakhstan.

8. Notwithstanding any other provisions herein, the Governor is subject to the jurisdiction of the AIFC's Courts in accordance with paragraph 4 of Article 13 of the Constitutional Law. For the avoidance of doubt, the AIFC's Courts are not subject to the Governor's powers in the exercise of their judicial functions within the AIFC.

Article 3

9. The Governor:
 - 1) organizes and coordinates harmonious interaction of the AIFC's bodies and its officials in order to achieve the AIFC's objectives as set out in the Constitutional Law;
 - 2) represents the interests of the AIFC and its bodies in relations with state bodies and other organizations, including foreign governments, as well as in relations with international organizations, business communities, individuals and legal entities and other entities, for which the Governor is endowed with appropriate powers;
 - 3) adopts acts in the form of regulatory provisions, which are not within the competence of the the Astana International Financial Centre Management Council according to the Applicable Law and regulate relations between AIFC Participants and (or) AIFC bodies and (or) their employees:
 - 1) civil relations; and
 - 2) civil procedural relations; and
 - 3) financial relations; and
 - 4) administrative procedures;
 - 3-1) determines requirements to legal entities and procedure for their recognition as AIFC Participants, types of activities allowed to be carried out on the territory of the AIFC, licensing procedure and requirements to AIFC Participants as well as procedure for establishment and registration of legal entities on the territory of the AIFC, their organisational forms;
 - 3-2) determines procedure of development, registration, commencement, publication, amending, supplementing and termination of AIFC acts;
 - 3-3) establishes terms and procedure for currency transactions, related to provision of financial and professional services on the territory of the AIFC in coordination with the National Bank of the Republic of Kazakhstan;
 - 3-4) establishes conditions on application of exemption from corporate income tax of AIFC bodies and their organisations until 1 January 2066.
 - 3-5) determines list of additional financial services, which are exempt from corporate income tax on income received from their provision by AIFC Participants on the territory of the AIFC until 1 January 2066;
 - 3-6) determines procedure for separate accounting of income, which is subject to exemption from corporate income tax and subject to taxation, as well as expenses subject to withholding, in cooperation with the central authorised body on the state planning and the state authority, responsible for collection of taxes and other obligatory payments to the budget;
 - 4) issues directions and orders which are mandatory for all officials and employees of the AIFC's bodies (except the Council and AIFC's Courts to the extent that they are exercising their judicial functions), with the aim of coordination the enforcement activities of the AIFC in order to achieve the AIFC's objectives set out in the Constitutional Law;
 - 5) reports to the Council on the main directions of activities of the AIFC and its bodies;
 - 6) provides the Council with an annual report on the activities of the AIFC for the Council's approval;
 - 7) hears reports of the heads of the AIFC's bodies, except for the Council;
 - 8) participates in the consideration of any issues concerning the AIFC's activities;
 - 9) requests from the AIFC's bodies and officials, and government bodies, information, materials and documents necessary to perform his/her duties;
 - 10) makes suggestions to the Council on the improvement of the AIFC's activities;
 - 11) forms and dismisses consultative and advisory groups and commissions of the AIFC from time to time to consider specific issues and make recommendations to the Council;
 - 12) registers the AIFC's bodies and assigns identification numbers to those bodies;
 - 13) appoints and dismisses employees and members of the governing bodies of the AIFC's bodies whose appointment is assigned by the Applicable Law to the power of the Governor;
 - 14) recommends to the Council candidates for appointment to the position of the Chairman and judges of the AIFC's Courts as well as the Chairman of the AFSA's Board of Directors and other members of the governing bodies of the AIFC's bodies; and
 - 15) exercises other rights and obligations in accordance with the Applicable Law.

Article 4

10. To organize his/her activity the Governor shall form his/her office within the framework of the AIFC Authority.
11. In their activities, employees of the Governor's office are accountable solely to the Governor.
12. The Governor shall appoint and dismiss employees of his/her office.

Article 5

13. The Governor controls the budget, financing of the AIFC activities and its bodies.
14. In his/her activity the Governor is guided by the best practices of corporate governance, and thus granted with competencies to form steering committees, commissions and other boards, with the involvement of representatives of the AIFC's bodies.

Article 6

15. The Governor is personally responsible for the proper execution of his/her objectives and functions, and the implementation of competencies granted to him/her.

Section III The AFSA

16. The AFSA is a legal entity created in the form of a regulatory body for the regulation of financial, ancillary and related services to maintain the safety and soundness of the financial system within the territory of the AIFC.

17. The AFSA, within the limits of its competence given by the Applicable Law is independent of the other AIFC's bodies, state bodies, organizations, executives and citizens, except that it is accountable to the Council and the Governor.

18. Astana Financial Services Authority has its budget formed from the funds of the republican budget of Republic of Kazakhstan, as well as fees and payments contributed by AIFC Participants (as defined in the Constitutional Law), and other sources as provided for in the Applicable Law.

19. The AFSA is headed by the Chairman of the Board of Directors, which is the governing body of the AFSA. The Chairman of the Board of Directors of the AFSA is appointed and dismissed by the Council.

20. The other members of the Board of Directors of the AFSA shall be appointed and dismissed by the Governor.

21. The main objectives, functions, rights and responsibilities of the AFSA and other arrangements of the AFSA's activities shall be stipulated in the Charter of the AFSA, as approved by the Council.

Section IV The AIFC Authority

Article 1

22. The AIFC Authority is a legal entity in the legal form of a joint-stock company established by the National Bank of the Republic of Kazakhstan to ensure proper conditions for the smooth operation of the AIFC's bodies, the AIFC Participants and their employees.

23. The AIFC Authority aims to provide organizational support for the AIFC's bodies, the AIFC Participants and their employees.

Article 2

24. The highest governance body of the AIFC Authority is the general meeting of shareholders, which has the powers and authorities to:

- 1) introduce amendments and additions to the Charter of the AIFC Authority or the approval of a new Charter;
- 2) approve the Corporate Governance Code of the AIFC Authority, as well as changes and additions to it, if the adoption of the Corporate Governance Code is considered necessary for the operation of the AIFC Authority;
- 3) approve any increase in the number of authorized shares;
- 4) appoint and dismiss the members of the Board of Directors, as well as to determine the amount of compensation due to members of the Board of Directors for the execution of their duties;
- 5) set up an auditing organization to audit the AIFC (the "**Internal Audit Service**"); and
- 6) approve the annual financial statements of the AIFC.

Article 3

25. The governing body of the AIFC Authority shall be a Board of Directors whose number of members shall be not less than three.

26. The term of office of members of the Board of Directors shall be not more than five years.

27. The powers and authorities of the Board of Directors shall be as follows:
- 1) approving the business strategy of the AIFC Authority;
 - 2) approving priority directions of activity of the AIFC Authority;
 - 3) convening the annual and extraordinary general meetings of shareholders;
 - 4) making decisions on the issuance of shares, including the number of shares to be issued (up to the number of authorized shares) and the method and price of their issuance;
 - 5) preliminarily approving the annual financial statements of the AIFC;
 - 6) determining the quantitative composition and term of office of the Internal Audit Service, the appointment of its head and members, as well as the early termination of their powers, the determination of the procedure of the Internal Audit Service, and the size and terms of salary and benefits due to employees of the Internal Audit Service;
 - 7) the appointment, dismissal and determination of the term of office of the corporate secretary, as well as the size and terms of salary and benefits due to the corporate secretary;
 - 8) making decisions on the acquisition or disposal by the AIFC Authority of ten or more percent of shares (stakes in the authorized capital) of other legal entities;
 - 9) approving major transactions and transactions in which the AIFC Authority is interested;
- and
- 10) approving the annual and medium-term budget of the AIFC.

Article 4

28. The ongoing activities of the AIFC Authority are managed by the Management Board of the AIFC Authority (the “**Management Board**”), consisting of not less than three persons. The Management Board is headed by the Chairman of the Management Board.

29. The Management Board operates on the basis of the Charter approved by the General Meeting of Shareholders of the AIFC Authority.

30. The Management Board is entitled to make decisions on any issues of the activities of the AIFC Authority, not stipulated by the Applicable Law and the Charter of the AIFC Authority to be within the competence of other bodies and officials of the AIFC Authority.

31. Members of the Management Board are appointed and dismissed by the Board of Directors of the AIFC Authority. The term of office of the members of the Management Board shall be no more than five years.

32. The amount of remuneration for members of the Management Board is determined by the Board of Directors of the AIFC Authority.

Section V The AIFC's Courts

33. The AIFC's Courts are an independent body, whose activities are supported by the AIFC Authority within the framework of a separate budget of the AIFC's Courts approved as a part of the AIFC Authority's budget.

34. Notwithstanding any other provisions herein, all of the AIFC's bodies are subject to the jurisdiction of the AIFC's Courts in accordance with paragraph 4 of Article 13 of the Constitutional Law. For the avoidance of doubt, the AIFC's Courts are not subject to the powers of any of the AIFC's bodies in the exercise of their judicial functions within the AIFC.

35. The AIFC's courts are guided by the Applicable Law.

36. The AIFC's Courts shall have the sole power to determine the proper scope of its jurisdiction within the limits of its competence given by the Applicable Law.

37. All operational issues required for the proper execution of the objectives of the AIFC's Courts shall be carried out by the AIFC Authority.

38. In the case of disagreement regarding operational issues between the AIFC's Courts and the AIFC Authority, they should be settled by the Governor on his/her own.

Section VI The Astana International Arbitration Centre

39. The AIAC is out-of-court dispute resolution body of the AIFC with its own arbitration rules.

40. The AIAC aims to be one of the leading international institutions for commercial dispute resolution that provides efficient, flexible and impartial administration of arbitration and other alternative dispute resolution (ADR) proceedings.

41. The AIFC shall be established and act in accordance with the resolution of the Council “On the International Arbitration Centre”.

Section VII

Setting up and registration of bodies of the AIFC

42. The AIFC's bodies in the form of legal entities are created in accordance with the provisions of the Constitutional Law, resolutions of the Council, and act on the basis of their constituent documents adopted by the Council or other bodies defined by the Council.

43. The AIFC's bodies are recognized to be established in the form of legal entities from the moment of their registration.

44. The registration of the AIFC's bodies includes the verification of documents presented for registration, the issuance of a certificate of registration assigning an identification number and recording information about the registration of the AIFC's bodies in the registry maintained by the Governor and/or the AIFC Authority within the limits set out by the Governor.

45. The registration of a body of the AIFC shall be completed by the Governor and/or the AIFC Authority within a reasonable period of time after the Council approves the establishment of such AIFC's body.

46. The document confirming the registration of the AIFC's body is a certificate issued in the form approved by the Governor.

47. The Governor may adopt detailed procedures for the registration of the AIFC's bodies.

Section VIII

Final provisions

48. The present act shall come into force on the date of the Council resolution.

49. The Governor of the AIFC shall procure:

1) the development, adoption and implementation of the AIFC's Regulations on the activities at the AIFC by no later than 20 December 2017;

2) the functioning of the AIFC's Courts by no later than 1 January 2018.

50. During the period prior to the adoption of the AIFC's Regulations stipulated by the Applicable Law, public relations within the AIFC are regulated by normative legal acts of the Republic of Kazakhstan, which previously regulated the relevant relationship.