



**AIFC LEGAL SERVICES REGULATIONS
AIFC REGULATIONS NO. 41 OF 2022**

**3 May 2022
Nur-Sultan, Kazakhstan**

CONTENTS**PART 1: GENERAL**

1. **Name**
2. **Legislative authority**
3. **Purpose of these Regulations**
4. **Application of these Regulations**
5. **Commencement**
6. **Interpretation**

PART 2: AIFC LEGAL SERVICES BOARD

7. **Establishment of AIFC Legal Services Board**
8. **Regulatory principles of AIFC Legal Services Board**
9. **Regulatory objectives of AIFC Legal Services Board**
10. **Powers and functions of AIFC Legal Services Board**
11. **Composition of AIFC Legal Services Board**
12. **Appointment and removal of the Chairman and members of AIFC Legal Services Board**
13. **Resignation of members of AIFC Legal Services Board**
14. **Protection from personal liability**
15. **Office of AIFC Legal Services Board**

PART 3: AIFC ACADEMY OF LAW

16. **Functions of the AIFC Academy of Law**

PART 4: REGISTRATION OF LEGAL ADVISERS

17. **Registration of Legal Advisers**
18. **Criteria for application for registration of Legal Adviser**
19. **Communication**
20. **Disclosure of regulatory status**

PART 5: CONTINUING OBLIGATIONS OF REGISTERED LEGAL ADVISERS

21. **Continuing obligations of registered of Legal Advisers**
22. **Notification**

SCHEDULE 1: INTERPRETATION

1. **Definitions**

PART 1: GENERAL**1. Name**

These Regulations are the *AIFC Legal Services Regulations 2022*.

2. Legislative authority

These Regulations are adopted by the Governor under article 4 of the Constitutional Statute and subparagraph 3) of paragraph 9 of the Management Council Resolution on AIFC Bodies.

3. Purpose of these Regulations

The purpose of these Regulations is to:

- (a) provide a regulatory framework in relation to Registered Legal Advisers who are providing legal services in the AIFC, for the benefit of those individuals, of the relevant Legal Services Providers through whom the services of those individuals are supplied in the AIFC, and of the current and potential Clients of those individuals or of those Providers;
- (b) ensure that Registered Legal Advisers, and legal services undertaken by them in the AIFC, follow international best practice in the field of regulation of legal services and Providing Legal Services;
- (c) establish the AIFC Legal Services Board;
- (d) guide the functions of the AIFC Academy of Law in the maintenance and improvement of the standards of legal education in the AIFC; and
- (e) promote the importance of the role of the AIFC Academy of Law in supporting the development of professional competencies that meet the standards of practice contemplated in these Regulations.

4. Application of these Regulations

These Regulations apply within the jurisdiction of the AIFC.

5. Commencement

These Regulations commence on 1 July 2022, except:

- (a) section 7, which commences on such date they are adopted by the Governor;
- (b) section 15, which commences on such date as the Governor decides to establish the AIFC Legal Services Board under section 7 of these Regulations; and
- (c) sections 17 (c) and 21 (b), which commence after 12 months from such date as the Governor decides to establish the AIFC Legal Services Board under section 7 of these Regulations.

6. Interpretation

Schedule 1 contains definitions and other interpretative provisions used in these Regulations.

PART 2: AIFC LEGAL SERVICES BOARD**7. Establishment of AIFC Legal Services Board**

- (1) By virtue of these Regulations, the AIFC Legal Services Board is to be established by, and with effect from, a decision of the Governor, and shall take the form of a designated body for the registration of Legal Advisers and regulation of Registered Legal Advisers to maintain, in respect of matters concerning Registered Legal Advisers, the safety and soundness of the legal services market in the AIFC.
- (2) When performing its functions, the AIFC Legal Services Board shall have complete independence and shall act independently and impartially.

8. Regulatory principles of AIFC Legal Services Board

In performing its functions and exercising its powers, the AIFC Legal Services Board will promote the following regulatory principles:

- (a) that Registered Legal Advisers act with independence and integrity;
- (b) that Registered Legal Advisers maintain proper standards of professional practice;
- (c) that Registered Legal Advisers act in the best interests of their Clients;
- (d) that Registered Legal Advisers who exercise before any court a right of audience, or conduct litigation in relation to proceedings in any court comply with their duty to the court to act with independence in the interests of justice; and
- (e) that Registered Legal Advisers keep confidential the affairs of their Clients.

9. Regulatory objectives of AIFC Legal Services Board

In performing its functions and exercising its powers, the AIFC Legal Services Board will pursue the following objectives:

- (a) supporting the principle of the rule of law;
- (b) the regulation, control and supervision of activities in the AIFC by Registered Legal Advisers with a view to the maintenance of the safety and soundness of the legal services market within the AIFC;
- (c) ensuring that in respect of matters concerning Registered Legal Advisers, the legal services market in the AIFC is fair, efficient, transparent and orderly;
- (d) creating fair, transparent and non-discriminatory conditions for Registered Legal Advisers;
- (e) fostering and maintaining confidence in the AIFC's legal services market and regulatory regime for Registered Legal Advisers;
- (f) in respect of matters concerning Registered Legal Advisers, fostering and maintaining the stability of the AIFC's legal services market;
- (g) preventing, detecting and restraining actions that may cause damage to the reputation of the AIFC or its legal services market by taking appropriate measures against persons under its jurisdiction, including by taking disciplinary actions;

- (h) in respect of matters concerning Registered Legal Advisers, protecting interests of the Clients of legal services providers;
- (i) implementing in the AIFC a regulatory regime that complies with international principles in the sphere of regulation of legal services such as proportionality, accountability, consistency and transparency;
- (j) fostering the development of the legal profession and services in the AIFC; and
- (k) pursuing such other objectives as may be specified by the Acting Law of the AIFC from time to time.

10. Powers and functions of AIFC Legal Services Board

The AIFC Legal Services Board has powers to exercise the following functions:

- (a) to adopt Rules establishing standards for legal services, quality control, a code of ethics and any other requirements that must be met and the procedure that must be followed in order for a person to register and carry on activities as a Registered Legal Adviser in the AIFC;
- (b) to supervise and monitor the activities of Registered Legal Advisers in accordance with the provisions of the Rules;
- (c) to receive, investigate and impartially determine complaints against Registered Legal Advisers, and take necessary actions consequent to those determinations, including such disciplinary actions as giving a written rebuke, directing the payment of a financial penalty, making an order to control Registered Legal Advisers' activities, imposing a condition on the practising certificate of Registered Legal Advisers or disqualifying Registered Legal Advisers;
- (d) to prescribe fees for the Registered Legal Advisers, and Legal Advisers applying for registration with the AIFC Legal Services Board, payable to the AIFCA and forms required for the implementation of the provisions of the Rules;
- (e) to prepare and adopt guidelines for Registered Legal Advisers;
- (f) to determine the requirements relating to legal education and training that must be met and the procedure that must be followed by Registered Legal Advisers;
- (g) to provide for the waiver or modification of any requirement and provisions of the Rules;
- (h) to maintain a reliable and up-to-date Roll of Registered Legal Advisers;
- (i) to appoint committees of the AIFC Legal Services Board and delegate to such committees any of its functions under these Regulations; and
- (j) to exercise any other functions including but not limited to preparing and approving strategies, policies and objectives of the AIFC Legal Services Board, preparing reports on the implementation of these strategies, policies and objectives, and presenting the same to the Governor.

11. Composition of AIFC Legal Services Board

- (1) The AIFC Legal Services Board is to be appointed by the Governor and is to consist of a Chairman and at least 3 members.

- (2) Inaugural and subsequent Board appointments will be made on the basis of fixed terms of varying length to ensure continuity and development of regulatory practice.
- (3) The Governor may delegate any function exercisable by the Governor under these Regulations to such persons as the Governor considers appropriate.

12. Appointment and removal of the Chairman and members of AIFC Legal Services Board

- (1) In appointing any person to be the Chairman or a member, the Governor may have regard to the desirability of securing that the AIFC Legal Services Board includes members who (between them) have experience in or knowledge of—
 - (a) the provision of legal services;
 - (b) legal education and legal training;
 - (c) consumer affairs;
 - (d) civil or criminal proceedings and the working of the courts;
 - (e) competition matters;
 - (f) the establishment and maintenance of the professional standards of persons who provide legal services;
 - (g) the establishment and maintenance of standards in professions other than the legal profession;
 - (h) the handling of complaints;
 - (i) commercial affairs;
 - (j) non-commercial legal services;
 - (k) the differing needs of consumers;
 - (l) experience of professional, economic or competition regulation; and
 - (m) digital and related matters.
- (2) The Chairman and members of the Board:
 - (i) shall be individually appointed for initial fixed terms not exceeding 5 years; and
 - (ii) may have such appointments renewed, such that the total term served does not exceed 9 years.
- (3) All appointments to the Board are to be made on the basis of selection on merit following open and fair competition, with no element of election or nomination by any particular sector or interest group.
- (4) The Chairman and members of the Board are appointed from among the representatives of the AIFC Bodies, the AIFC Academy of Law, consultative and advisory bodies formed by the Governor, and Legal Services Providers, on a voluntary basis.

- (5) The Chairman or a member of the Board may be suspended or removed from office by a decision of the Governor, and any such decision shall be published and shall give the reason or reasons for which it was made.

13. Resignation of members of AIFC Legal Services Board

The Chairman or a member of the AIFC Legal Services Board may at any time resign by providing to the Governor at least one month's notice in writing.

14. Protection from personal liability

No liability shall be incurred by the Chairman or members of the AIFC Legal Services Board or any other person acting under the direction of the AIFC Legal Services Board, as a result of anything done (including any statement made) or omitted to be done in the execution or purported execution of the AIFC Legal Services Board's functions under these Regulations.

15. Office of AIFC Legal Services Board

- (1) The Office of the AIFC Legal Services Board (the **Office**) is established within the framework of the AIFCA.
- (2) The Office is an operating body with the following functions:
 - (a) implementation of strategic decisions set by the AIFC Legal Services Board;
 - (b) control and supervision over the enforcement of these Regulations and/or resolutions of the AIFC Legal Services Board, provided that such functions do not alter the powers of the AFSA provided by the AIFC Acts; and
 - (c) management of day-to-day activities, and exercise of any other powers, as set by these Regulations and/or resolutions of the AIFC Legal Services Board.
- (3) The Office is headed by the Head of Office who acts on behalf of and represents the AIFC Legal Services Board with full authority in relations with other organisations within the limits set out by the AIFC Legal Services Board.
- (4) If the Board considers it necessary in order to ensure the efficiency of the AIFC Legal Services Board, the Office may comprise a Deputy Head of Office and officers in addition to Head of Office.
- (5) The Head of Office shall be appointed and dismissed by a decision of the AIFC Legal Services Board after consultation with the Governor.

PART 3: AIFC ACADEMY OF LAW**16. The AIFC Academy of Law and its functions**

The functions of the AIFC Academy of Law as an institution and educational platform are as follows:

- (a) to maintain and improve the standards of legal education in the AIFC and, in particular, to make recommendations to the appropriate authorities on the training and education required for persons employed by or supplying services for the Legal Services Providers, and to review the implementation of initiatives, programmes and curricula relating to legal education in the AIFC, including diploma and professional legal education and training;
- (b) to provide for the legal education and training for Registered Legal Advisers or Legal Advisers intending to be registered by the AIFC Legal Services Board;
- (c) to conduct examination of Registered Legal Advisers or Legal Advisers intending to be registered by the AIFC Legal Services Board;
- (d) to advise the AIFC Legal Services Board as to whether any degree conferred by any institution of higher learning in or outside the AIFC is a qualification prescribed by any Rules, and recommend legal education programmes that may satisfy the competencies criteria and practice standards contemplated by these Regulations;
- (e) to facilitate the development of the AIFC as an international centre for legal education; and
- (f) to exercise any other functions determined by these Regulations or Rules.

PART 4. REGISTRATION OF LEGAL ADVISERS**17. Registration of Legal Advisers**

A Legal Adviser wishing to be registered by the AIFC Legal Services Board may apply to the AIFC Legal Services Board for a registration and in doing so must:

- (a) complete the prescribed form and file the form with the AIFC Legal Services Board accompanied by such documents as are specified in the form;
- (b) provide such further information as the AIFC Legal Services Board may require; and
- (c) pay the fee prescribed by the AIFC Legal Services Board.

18. Criteria for application for registration of Legal Adviser

A Legal Adviser wishing to be registered by the AIFC Legal Services Board must be able to demonstrate to the satisfaction of the AIFC Legal Services Board that he or she:

- (a) is fit and proper;
- (b) has obtained or is able to rely on adequate and appropriate professional indemnity insurance;
- (c) has, or is able to rely on, adequate systems, procedures and controls to ensure due compliance with the requirements set by the AIFC Legal Services Board; and
- (d) has complied with any other requirement specified by the AIFC Legal Services Board.

19. Communication

A Registered Legal Adviser who is employed by or provides services to a Legal Services Provider must ensure that each notification which he or she provides to the AIFC Legal Services Board is:

- (a) is in writing;
- (b) is in English; and
- (c) contains the Legal Services Provider's name.

20. Disclosure of regulatory status

A Registered Legal Adviser must not:

- (a) expressly or by implication misrepresent his or her regulatory status in the AIFC; or
- (b) use or reproduce the AIFC Legal Services Board's logo or other identifying mark without express written permission from the Board and in accordance with any conditions for use imposed by the Board.

PART 5. CONTINUING OBLIGATIONS OF REGISTERED LEGAL ADVISERS**21. Continuing obligations of Registered Legal Advisers**

A Registered Legal Adviser must ensure that at all times he or she:

- (a) remains fit and proper to carry out his or her role; and
- (b) undertakes continuing professional development in accordance with the requirements and standards established by the Rules adopted by the AIFC Legal Services Board.

22. Notification

A Registered Legal Adviser must promptly notify the AIFC Legal Services Board of any changes to his or her professional insurance cover, including termination and renewal.

SCHEDULE 1: INTERPRETATION**1. Definitions**

In these Regulations:

Acting Law of the AIFC has the meaning given by article 4 of the Constitutional Statute.

AIFCA means the Astana International Financial Centre Authority.

AIFC Acts means Acts adopted by the AIFC Bodies.

AIFC Bodies has the meaning given by article 9 of the *Constitutional Statute* and the document entitled *The Structure of the Bodies of the Astana International Financial Centre* adopted by the Management Council on 26 May 2016.

AFSA means Astana Financial Services Authority.

AIFC Participants has the meaning given by article 1(5) of the *Constitutional Statute*.

Chairman means the Chairman of the Board of the AIFC Legal Services Board.

Client means:

- (a) in relation to contentious business, any Person who, as a principal or on behalf of another Person, retains or employs, or is about to retain or employ, a Legal Services Provider, or Registered Legal Adviser,
- (b) in relation to non-contentious business —
any Person who, as a principal or on behalf of another, or as a trustee, an executor or an administrator, or in any other capacity, retains or employs or is about to retain or employ, a Legal Services Provider or a Registered Legal Adviser; and
- (c) In both (a) and (b) above, a Person who is or may be liable to pay a Legal Services Provider's or a Registered Legal Adviser's costs (including fees, charges, disbursements, expenses and remuneration) is also treated as a Client for the purposes of and in connection with that liability.

Constitutional Statute means Constitutional Statute of the Republic of Kazakhstan dated 7 December 2015 entitled On the Astana International Financial Centre.

Governor means the Governor of the Astana International Financial Centre.

Legal Adviser means, in relation to the provision of legal services, an individual:

- (a) who is employed or appointed by an AIFC Body, its organisation, or an AIFC Participant in connection with the business of an AIFC Body, its organisation, or AIFC Participant in the AIFC, whether under a contract of service or for services or otherwise; or
- (b) whose services provided in the AIFC, under an arrangement between an AIFC Body, its organisation, or an AIFC Participant and a third party, are placed at the disposal and under the control of an AIFC Body, its organisation, or an AIFC Participant; or
- (c) who is otherwise specified to be eligible for the purposes of these Regulations by the Legal Services Board, including one particular class of such individuals being legal advisers or counsel based outside Kazakhstan who spend a limited amount of time in the AIFC for the purposes of, for example, advising or facilitating a corporate transaction.

In these Regulations, in the Rules, in the Roll and in any other document produced by any Person in connection with these Regulations, the expression “Counsel” may be substituted for “Legal Adviser” if that appears preferable in the context.

Legal Services Provider means an AIFC Participant which has been licensed by the Astana Financial Services Authority to carry on Providing Legal Services.

Management Council means the Management Council of the Astana International Financial Centre.

Management Council Resolution on AIFC Bodies means *The Structure of the Bodies of the Astana International Financial Centre*, adopted by resolution of the Management Council on 26 May 2016, as amended by resolution of the Management Council, *The Amendments and supplementations to the Structure of the Bodies of the Astana International Financial Centre*, adopted on 9 October 2017.

Person includes any natural person or incorporated or unincorporated body, including a company, partnership, unincorporated association, government or state.

Providing Legal Services as defined in paragraph 1 of Schedule 2 of AIFC General Rules.

Registered Legal Adviser means a Legal Adviser registered by the AIFC Legal Services Board.

Regulations means Regulations adopted by the Management Council or Governor, and includes these Regulations.

Roll means the paper or electronic records prepared by the AIFC Legal Services Board for the purpose of recording the information pertaining to Registered Legal Advisers.

Rules means Rules adopted by the AIFC Legal Services Board.