



WAIVER AND MODIFICATION NOTICE NO. AFSA-A-NB-2023-0014

To	For ADX Members in the framework of the 'Tabadul' initiative applying for RNAM status in the AIFC
Permitted Activity	Recognised Non-AIFC Member status

THE ASTANA FINANCIAL SERVICES AUTHORITY HEREBY GIVES NOTICE THAT:

1. The AFSA places great emphasis on ensuring that all RNAMs are treated fairly and equally, without showing any favoritism towards specific market players. When making modifications to the relevant AIFC Acts, the AFSA carefully examines the proposed changes to determine if they could potentially discriminate against other market participants who are not part of a defined circle of players. To ensure fairness and transparency for all players, the AFSA is modifying the application and annual recognition fees for those applying for RNAM status under the Tabadul initiative. This is to ensure reciprocity with the peer regulator and promote collaboration among regulators. The relevant peer regulator has also revised its fees structure for trading members joining via Tabadul, making it appropriate for the AFSA to make this collaborative effort. Therefore, the current AIFC RNAMs and AFSA licensed brokers who trade on the AIX have the option to apply for remote membership status with the SCA. They will also receive preferred fees when joining the Tabadul framework.
2. The proposed changes do not favor any particular applicant and do not undermine competition. It should be noted that trading through the Tabadul initiative does not provide the same level of access as regular RNAMs trading on AIX. The instruments, conditions, clearing, and settlement processes through Tabadul are tied to an electronic trading system, unlike trading members with full access to securities traded on AIX. Considering the correlation between the quantity of RNAM candidates who participate in the Tabadul initiative, and the AFSA application fees, a reduction in expenses could potentially lead to an increase in the number of RNAM applications submitted through the Tabadul initiative.
3. The AFSA emphasises that it is unwavering in its commitment to upholding equality and has a strict policy of zero tolerance towards all forms of discrimination. In this regard, to encourage potential applicants for the global cross-border initiative, the AFSA is proposing temporary modifications. The AFSA notes that these modifications will be valid for a limited promotion period and will be subject to further instructions from the AFSA.
4. The Rules specified in the left-hand column of the Table A are modified to the extent shown in the right-hand column of the Table A and right-hand column of the Table A apply to the trading members Abu Dhabi Exchange P.J.S.C. applying for a Recognised Non-AIFC Member status in the AIFC via 'Tabadul' initiative.

Table A. Modified AIFC Act

AIFC Act	Modified text				
Section 1.1 of Schedule 4 of FEES. Application fees for recognition as a Recognised Non-AIFC Market Institution, Recognised Non-AIFC Member and Foreign Fund Manager	Modified. 1.1 Application fees for recognition as a Recognised Non-AIFC Market Institution, Recognised Non-AIFC Member and Foreign Fund Manager. <table border="1" data-bbox="603 551 1426 667"> <thead> <tr> <th data-bbox="603 551 1038 589">Application fee</th> <th data-bbox="1046 551 1426 589">Fee (USD)</th> </tr> </thead> <tbody> <tr> <td data-bbox="603 595 1038 667">Recognised Non-AIFC Member</td> <td data-bbox="1046 595 1426 667"><u>1 000</u></td> </tr> </tbody> </table>	Application fee	Fee (USD)	Recognised Non-AIFC Member	<u>1 000</u>
Application fee	Fee (USD)				
Recognised Non-AIFC Member	<u>1 000</u>				
Section 6.4 of Schedule 6 of FEES. 6.4 Annual recognition fees for Recognised Non-AIFC Market Institutions and Recognised Non-AIFC Members	Modified. 6.4 Annual recognition fees for Recognised Non-AIFC Market Institutions and Recognised Non-AIFC Members. <table border="1" data-bbox="603 864 1426 1099"> <thead> <tr> <th data-bbox="603 864 911 902">Recognition fee</th> <th data-bbox="919 864 1426 902">Fee (USD)</th> </tr> </thead> <tbody> <tr> <td data-bbox="603 909 911 1099">Recognised Non-AIFC Member</td> <td data-bbox="919 909 1426 1099">For Recognised Non-AIFC Members that are admitted to trading by an Authorised Investment Exchange: calculated according to formula 1 below.</td> </tr> </tbody> </table> <p data-bbox="603 1137 746 1176">Formula 1</p> $RF = FF + TVF,$ <p data-bbox="603 1218 687 1249">where</p> <p data-bbox="603 1294 975 1326">RF – Annual recognition fee</p> <p data-bbox="603 1370 1426 1442">FF – Fixed fee, which is <u>500 USD</u> pro-rated over a calendar year</p> <p data-bbox="603 1449 1426 1635">TVF – Trading volume fee, calculated as 0.001% of trading volume in one year, applicable only to Recognised Non-AIFC Members admitted to trading by Operator of an Investment Exchange, whose trading volume is over 100 million USD (paid within one month following each corresponding quarter).</p>	Recognition fee	Fee (USD)	Recognised Non-AIFC Member	For Recognised Non-AIFC Members that are admitted to trading by an Authorised Investment Exchange: calculated according to formula 1 below.
Recognition fee	Fee (USD)				
Recognised Non-AIFC Member	For Recognised Non-AIFC Members that are admitted to trading by an Authorised Investment Exchange: calculated according to formula 1 below.				

EFFECTIVE PERIOD

This notice comes into effect on the date of issue and remains in force until further instructions from the AFSA.

INTERPRETATION

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

THIS NOTICE IS ISSUED PURSUANT TO SECTION 9 OF THE FINANCIAL SERVICES FRAMEWORK REGULATIONS BY THE ASTANA FINANCIAL SERVICES AUTHORITY.

Name: Nurkhat Kushimov

Position: Chief Executive Officer, AFSA

DATE OF ISSUE: 15 September 2023