



AIFC

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ANNUAL REPORT

ON THE ACTIVITIES OF THE ASTANA
INTERNATIONAL FINANCIAL CENTRE

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KASSYM-JOMART TOKAYEV

President of the
Republic of Kazakhstan

1. FOREWORD

"In the face of increased competition for foreign capital, we should switch to working directly with each capital holder. It is essential to develop individual support measures for each investor based on priority and potential effect on the economy as a whole.

Within the framework of this important work the Government of the Republic of Kazakhstan should provide investment stability for strategic investors in priority industries.

It is necessary to **intensify the use of the Astana International Financial Centre potential** for investment attraction and development of the stock market, especially in light of the forthcoming privatisation of state-owned assets.

We should ensure access of Kazakh entrepreneurs to take advantage of the Acting Law of the AIFC and its dispute resolution institutions in resolving business cases."

May 11, 2022

"We should unite our efforts to attract investments into strategically important sectors of the regional economy. Particular attention can be paid to **"anchor" investment projects** in hydropower, industry, mining, agriculture, transport, and communications. Great opportunities for structuring investments are provided by the AIFC.

Astana International Financial Centre combines the best practices of global financial institutions and the latest tools. I propose to actively use the potential of the AIFC as a regional financial centre and investment hub."

August 6, 2021

"The basis for building a strong economy and a decent business climate is a **fair and impartial judicial system**, which should become the main guarantor of the legitimate interests and rights of investors. In the context of resolving investment disputes, I call for the full use of the independent **Astana International Financial Centre Court and the International Arbitration Centre.**"

February 22, 2022



DR. KAIRAT KELIMBETOV

Governor of the Astana
International Financial
Centre

"In reflecting on the previous years, we note with pleasure that AIFC has been at the heart of Kazakhstan's economic growth agenda since establishment. We have developed world-class infrastructure, globally recognised legal and regulatory framework and best working environment that supports economic priorities of the country, its financial institutions and business community.

As a unique platform and jurisdiction, AIFC has seen real progress on all core business directions. Today, it is the primary destination for IPOs of major state-owned and private companies, issuing government and corporate bonds, as well as structuring and financing major investment deals on national and regional scales.

With the Government's active support, AIFC has already contributed to bringing more than USD 6.2 billion of portfolio and direct investment into the Kazakh economy. In 2021, the number of AIFC participants has almost doubled, reaching more than 1,100 companies registered from 60 countries. Companies ranging in size from major global companies to local start-ups cover various sectors including mining, banking, Islamic finance, fintech, professional services, and other areas.

The AIFC Court and International Arbitration Centre play a significant role in establishing AIFC as **a centre for resolving commercial disputes in the region and enhancing investors' confidence**. Despite the pandemic, both institutions had an unprecedented number of judgements, arbitration awards and mediation settlements for a centre at this stage of its operations.

Following the President Tokayev's directions set for country's new economic development in 2020 and far-reaching vision for the AIFC outlined in the AIFC Development Strategy until 2025, AIFC has reaffirmed its role as **a country's primary platform for investment attraction and financial intermediation with a focus on sustainability, and establishing as the regional financial centre and investment hub**.

2021 has been a transformational year for AIFC, marked by successful strategy execution and substantial progress in key business areas. With a great support from the national monetary and financial regulators, we have resolved outstanding issues governing the provision of financial and professional services by **AIFC participants and their access to Kazakhstan's financial market and infrastructure**, covering the terms and procedures for related currency transactions. As the result of careful and dedicated work, all three regulators – the National Bank of Kazakhstan, the Agency for Regulation and Development of Financial Market, and Astana Financial Services Authority – jointly signed the Rules on Currency

Regulation and Provision of Information on Currency Transactions in the AIFC.

Last year, we saw a **growing demand for sustainable financing tools and institutions**. The 26th UN Climate Change Conference of the Parties gathered together global leaders to discuss current challenges and offer new solutions. We, at AIFC, also made significant efforts to introduce and develop sustainable financing instruments and direct new investments into environmentally friendly, social projects in Kazakhstan and the broader region of Central Asia. AIFC Green Finance Centre contributed to the growth of the local, sustainable finance market, which surpassed USD 250 million and propelled Kazakhstan to the leading position in the Eastern Europe & Central Asian region, according to the Global Green Finance Index.

Following major global trends, the AIFC also expanded its role in developing technologies and innovations. In 2021, we officially launched the World Economic Forum's **Affiliate Centre for the Fourth Industrial Revolution in Kazakhstan** at the AIFC premises. The work of this centre will allow Kazakhstan to gain a competitive advantage and harness the full potential of Industry 4.0, especially in the areas of the Internet of Things, data management, and digitalisation.

Thus, with its role highlighted as country's main platform for investment attraction, AIFC will continue supporting the Government and focus on growing its reputation as the leading regional financial centre and investment hub under the **New Kazakhstan** economic course. We will continue expanding our financial products and services to meet growing investment demand and provide sustainable financing solutions under the regional integration agenda, including the Belt and Road Initiative. AIFC will keep enhancing its legal and regulatory framework to support its participants' resilience and react in a timely manner to transformations and trends that are changing the face of business.

This report reflects our efforts in 2021 and highlights the directions of development set out in the AIFC strategy. I hope that readers will find it informative and valuable for their business."



2. INTRODUCTION



2.1 AIFC KEY MILESTONES

2019 – 2021 - AIFC'S CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT OF KAZAKHSTAN

2019

January

The United Kingdom's HM Revenue and Customs grants the AIX with "recognised stock exchange" status.

February

The AIFC Court and IAC launch a new e-filing system – eJustice.

March

Nur-Sultan is ranked 51st out of 102 and 1st in the region of Eastern Europe and Central Asia in the Global Financial Centres Index (GFCI 25).

April

The AIFC Advisory Panel on Legal Regulatory Matters is established.

The mining company, Polymetal, becomes the first foreign company to list on AIX.

July

AFSA becomes signatory to global agreement cross-border enforcement cooperation in capital markets (IOSCO MMoU).

September

State-of-the Nation address by President of the Republic of Kazakhstan Kassym-Jomart Tokayev became the basis for the development of a new AIFC Development Strategy until 2025.

2020

February

Chevron and Tengizchevroil choose the IAC and the AIFC Court for dispute resolution in Kazakhstan.

March

First Islamic bond (Sukuk) of Qatar International Islamic Bank is cross-listed on AIX.

March

First RMB-denominated bond in Kazakhstan is listed on AIX Belt and Road Market.

July

The AIFC Management Council determines new AIFC Development Strategy until 2025.

AIX launches the Regional Equity Market Segment (REMS).

AIFC Authority launched portal 'e-Residence' for AIFC potential and existing participants.

August

Damu Entrepreneurship Development Fund lists the first green bond on AIX.

AIX becomes an eligible trading venue for FTSE Frontier Index Series.

September

AFSA company registration services become fully digitalised.

AFSA becomes the 75th member for global agreement on cross-border cooperation in insurance markets (IAIS MMoU).

AIX becomes the first exchange in the world to migrate its core trading infrastructure (the Nasdaq matching engine) into the cloud Amazon Web Services.

October

Kaspi.kz is added to the official list of AIX.

AFSA joins elite club of signatories of Enhanced MMoU of IOSCO, allowing global cross-border enforcement cooperation on freezing of assets, compelled testimony and exchange of audit papers.

December

Tabys, trading application for retail investors, is launched.

2021

January

AFSA starts its chairmanship of the Group of Banking Supervisors from Central and Eastern Europe (BSCEE).

April

Kazakhstan enters the Global Green Finance Index being the 1st in the region of Eastern Europe and Central Asia and 57th in the world.

May

AIFC Green Finance Centre (GFC) becomes a regional office of Green Investment Principles for BRI in Central Asia.

AFSA hosts the 33rd Annual Conference of the Group of Banking Supervisors from Central and Eastern Europe under its chairmanship.

July

The World Economic Forum's Affiliate Centre for the Fourth Industrial Revolution (C4IR) in Kazakhstan is officially launched at AIFC premises.

AIFC Tech Hub announces the launch of the first fintech accelerator for banks in Kazakhstan in partnership with Mastercard and the Internet Initiatives Development Fund.

AIX launches AIX Qazaq Index, which measures the performance of the shares of Kazakhstan linked companies.

September

AIFC registers the 1,000th participant.

AIX becomes a full member of the World Federation of Exchanges.

October

AIFC holds the World Investor Week 2021 with the central theme "Promotion of investment intelligence".

The first green loan is approved in Kazakhstan with the support of the GFC.

November

The National Bank of Kazakhstan, the Agency for Regulation and Development of Financial Market, and Astana Financial Services Authority jointly sign the Rules on Currency Regulation and Provision of Information on Currency Transactions in the AIFC.

The Eurasian Development Bank lists debut social bonds on AIX with the support of the GFC.

The largest green bond issuance on AIX by Samruk Energy national company supported by the GFC.

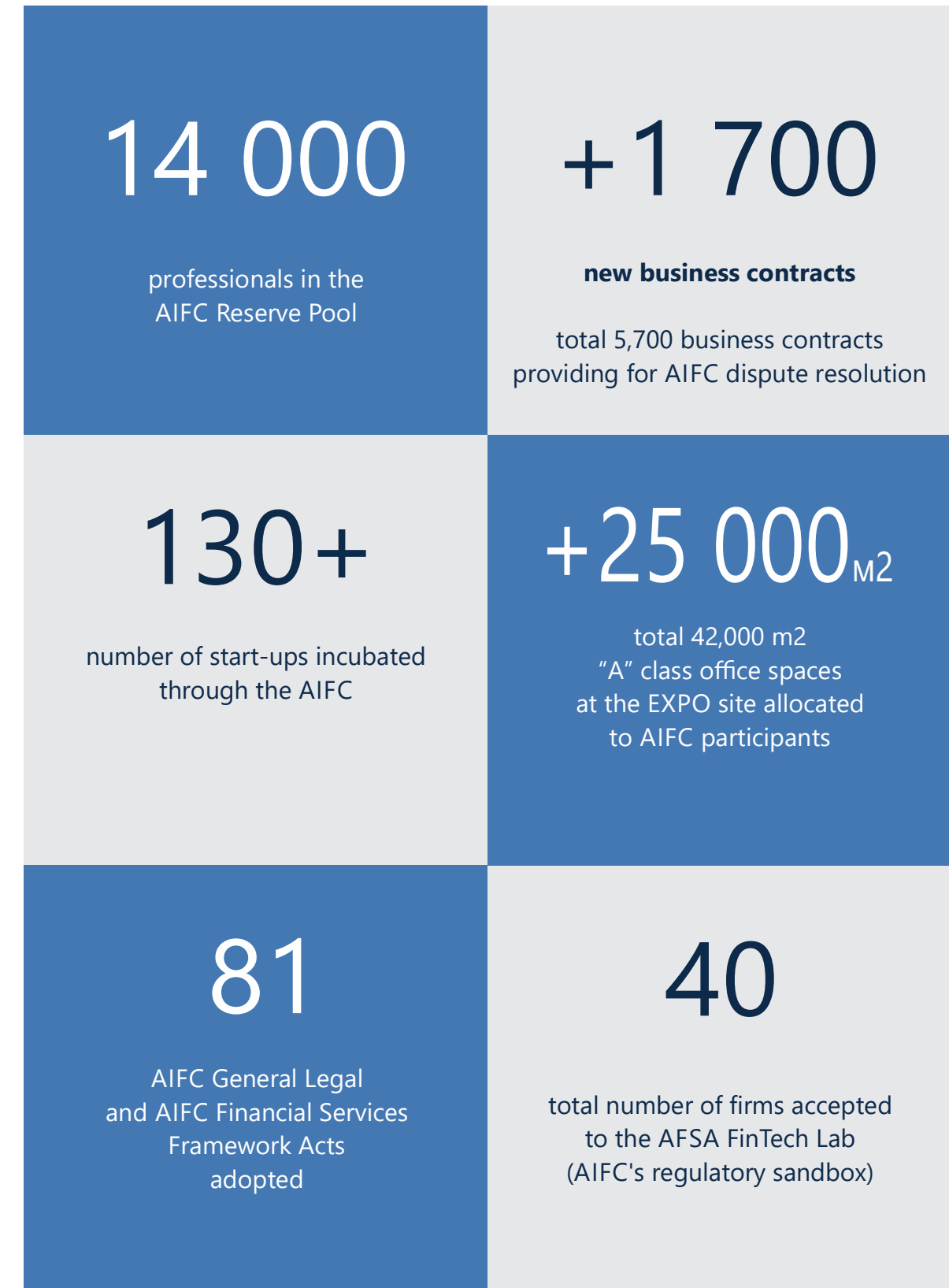
December

AIX introduces new service – Direct listing of shares.

AFSA hosts high-level meeting on regulatory cooperation in Central Asia, which leads to adoption of Joint Declaration on Regulatory Cooperation in Central Asia.

2.2 KEY FIGURES

(end of 2021)



2.3 ECONOMIC SNAPSHOT

During the last two years, we have witnessed the COVID-19 pandemic and subsequent crisis that has brought unprecedented challenges for various sectors of the economy around the world. As the largest economy in Central Asia, in 2021, Kazakhstan has managed to regain growth of its real GDP to its pre-pandemic levels. According to official statistics, in 2021, Kazakhstan's real GDP grew by 4% and reached around USD 190.8 bn¹, following a 2.5% decline in 2020. These results have placed the country as the 55th largest economy in the world, ahead of all other Central Asian economies.

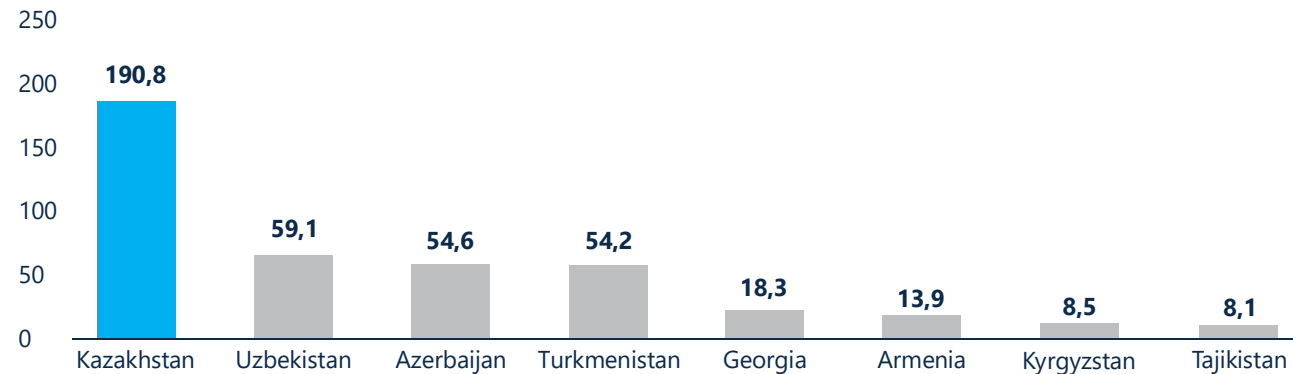


Figure 1. GDP in 2021, USD bn

Kazakhstan's positive economic performance in 2021 was the result of the fusion of the President's new reforms and enhanced stimulus policies, fiscal support measures, ensuring the welfare of its people and effective public service delivery. Extended until the end of 2021, **Comprehensive Plan for Economic Recovery** provided a blueprint for socio-economic recovery covering various economic sectors related to SMEs, employment, healthcare, investments, fiscal efficiency etc.

Government-led efforts to support SMEs, as the most damaged sector during the pandemic, were also highlighted in state programmes such as the Enbek and Employment Roadmap, the Business Roadmap – 2025, the Economy of Simple Things, as well as the National Bank's concessional lending programme to replenish working capital.

In pursuit of further growth, introduction of the **National Development Plan until 2025** has been a critical effort for the post-pandemic development of major sectors, expected to ensure sustainable, inclusive, and quality economic development. The Plan focused on three main pillars – the welfare of Kazakh citizens, quality of institutions and building a strong economy. Amongst the new initiatives, the document emphasised the necessity of a new industrial policy framework, green economy transition and rapid recovery in the volume of foreign investment into the country, setting a target of increasing the FDI volume to USD

30 bn and investments in fixed capital to 30% of GDP by 2025.

Currently, the Government is restarting the privatisation agenda through the implementation of the recently adopted **Comprehensive Privatisation Plan for 2021-2025**, ultimately aimed at reducing the share of state participation in the economy to 14% upon completion of the programme.

Along with the introduction of national policies targeting strong recovery, Kazakhstan continues its commitment to support sustainable development of the global economy. Addressing global environmental vulnerabilities and its commitment to achieving **carbon neutrality by 2060**, Kazakhstan is currently working on finalisation of its national strategy with plans towards a resource efficient and resilient infrastructure, and green recovery measures.

Kazakhstan has a strong fiscal space thanks to the accumulation of **international reserves and assets of the National Fund**, which amounted to almost USD 90 bn in December 2021. In addition, a sharp increase in oil prices during the year, reaching nearly USD 90 per barrel in October 2021, substantially improved Kazakhstan's trade balance. Kazakhstan continues to be a net exporter with a trade surplus reaching USD 19.2 bn in 2021, doubling more than 2 times since 2020. While Kazakhstan's export basket is still dominated by oil and gas, the export of processed products in 2021 has increased by 27% and reached USD 20.5 bn.

INVESTMENT CLIMATE

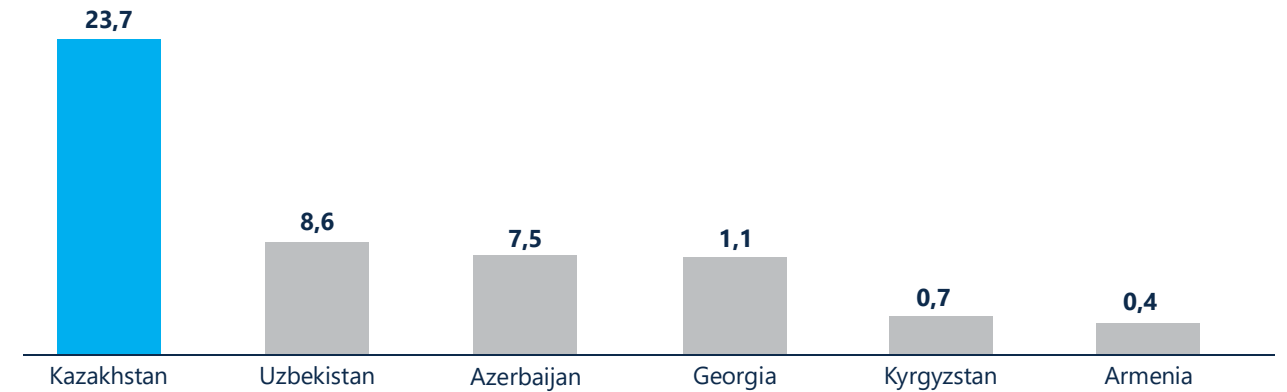


Figure 2. FDI inflow to the region in 2021, USD bn

Since independence, investment attraction has been a top priority as one of the fundamental factors for economic growth and development of the country. As a result, the **stock of foreign direct investments (FDI)** attracted to Kazakhstan totaled **USD 389 bn**, according to official statistics. During the recent decade, foreign direct investments (FDI) inflow into Kazakhstan has remained strong due to developing extractive and non-extractive sectors of economy, such as infrastructure, agriculture, construction, transport and logistics.

At the beginning of 2022, the President of the Republic of Kazakhstan has once again reaffirmed the **country's commitment to restoring trust and confidence of investors in Kazakhstan**, by placing the utmost attention on maintaining a favorable investment climate². It is an impetus for the country to further improve a market economy principle, the rule of law, compliance with international and domestic obligations as well as an adherence to ESG principles³.

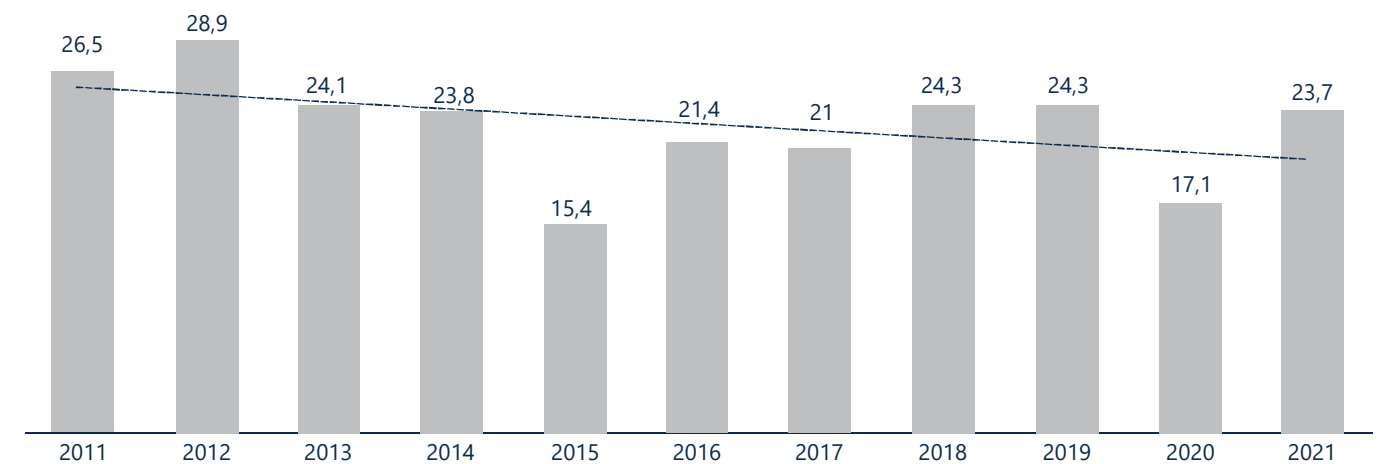


Figure 3. FDI inflow to Kazakhstan in 2011-2021, USD bn

¹ Asian Development Bank, Basic Statistics, April 2022

²<https://akorda.kz/ru/vystuplenie-glavy-gosudarstva-kk-tokaeva-na-zasedanii-mazhilisa-parlamenta-respubliki-kazahstan-1104414>

³<https://akorda.kz/ru/kasym-zhomart-tokaev-prinyal-uchastie-vo-vneocherednoy-vstreche-soveta-inostrannyh-investorov-2212529>

Kazakhstan has an investment grade sovereign credit rating with a stable outlook, confirmed by all major credit rating agencies. This is an important indicator of a country's creditworthiness, as it defines investment attractiveness of a country and determines the cost of borrowing. Notably, Kazakhstan is one of the few countries in the entire CIS region with an 'investment-grade' business environment.

Despite the slowdown of FDI during the pandemic, Kazakhstan continues to be an attractive investment destination. The country maintains its **leading position in Central Asia** with the major share of FDI inflow to the region. In 2021, Kazakhstan's gross FDI inflow reached **USD 23.7 bn** compared to USD 17.1 bn in 2020 (38% growth).

The top-10 countries with the largest amount of investment into Kazakhstan's economy remained almost unchanged. The Netherlands, USA, Switzerland, Russia, and China confidently hold the lead and account for almost 70% of the total volume of attracted investments.

In the long-term perspective, Kazakhstan sets the goal to maintain and secure its role as the leading investment destination in the region. Kazakhstan's unique location on the path of the largest trade corridors between European and Asian markets provides numerous benefits by interconnecting businesses across continents.

The Government aims to improve the investment climate by adhering to the best international standards and attaches great importance to the creation of a strong and competitive business environment. **A new Concept of Investment Policy until 2025** is under development of the Government. The concept will serve the goal of boosting national economy and focus on shifting to the new ESG standards of investments that would ensure Kazakhstan's green energy and technological transition. AIFC with its ongoing initiatives on green finance, proactive ESG approach and contributions to digital transformation of the economy actively participates in implementation of the policy to achieve Kazakhstan's investment priorities.

2.4 BENEFITS OF THE AIFC

AIFC LAW AND JURISDICTION

AIFC Acts, as the core of AIFC Law, were developed based on the principles of law of England and Wales and the standards of leading global financial centres. The AIFC Court and IAC are the region's first independent common law judiciary and international arbitration centre for the settlement of commercial disputes.

INDEPENDENT REGULATOR

AFSA is the independent regulator of financial, market and ancillary services performed in and out of the AIFC.

In regulation of financial services in the AIFC, the AFSA applies best international standards of regulation and supervision of financial services, espoused by IOSCO, IAIS, BCBS, IFSB, OECD, FATF etc.

The registration process for AIFC participants is available online with the registration period reduced from 5 days to 3 hours.

95% of all applications for registration of companies in the AIFC are online.

INNOVATIVE TRADING INFRASTRUCTURE

A world-class stock exchange that provides a high-tech trading platform and regulatory environment familiar to the global investment community. AIX is a member of the World Federation of Exchanges and was granted "recognised stock exchange" status from the United Kingdom's HM Revenue & Customs.

PRO-BUSINESS ENVIRONMENT

A choice of the organisational-legal form and the type of activity most suited to the business interests and objectives of an organisation.

- 15 types of organisational-legal forms for the creation of new legal entities. For most companies, there are no minimum share capital requirements.
- Multiple forms of funds. The possibility of establishing trusts and foundations.
- An opportunity to re-domicile to the AIFC territory from any jurisdiction

100% OWNERSHIP

Within AIFC, registered entities enjoy 100% foreign ownership.

ENGLISH AS THE MAIN OFFICIAL LANGUAGE

The official language of the AIFC is English. AIFC Acts, court proceedings, records, all transactions, and responses to inquiries are in English.

TAX BENEFITS

Tax exemptions of AIFC participants until January 1, 2066:

- from CIT and VAT on income received from providing financial services, prescribed by the Constitutional Statute of the Republic of Kazakhstan "On the AIFC"
- from the CIT on income received from providing ancillary services, prescribed by the Constitutional Statute of the Republic of Kazakhstan "On the AIFC"
- from CIT and PIT on income in the form of dividends, profits from the sale of shares or stakes in the capital of AIFC Participants and dividends and interest from securities listed, profits from the sale of securities listed on the AIX.

SIMPLIFIED LABOUR AND VISA REGIME

AIFC participants enjoy a simplified labour regime and visa-related procedures that can be obtained at the AIFC Expat Centre on a "one-stop shop" basis in English.

2.5 GLOBAL RECOGNITION



IOSCO

The AFSA became a signatory to the prestigious multilateral agreements, the MMoU and EMMoU, which are the global benchmarks for international cooperation in the enforcement of securities and derivatives laws and regulations. Signatories to the EMMoU agree to provide each other with new forms of assistance in cross-border enforcement cooperation, such as obtaining asset freezes to protect consumers, obtaining compelled testimony, exchanges of audit papers etc.



IAIS

The AFSA became signatory to a global agreement on cross-border supervision of the insurance sector. The IAIS MMoU provides a global framework of compliance and confidentiality to facilitate open cooperation and exchanges amongst 76 insurance supervisors worldwide. This represents approximately 76% of the worldwide premium volume.



The Global
Financial Centres
Index

THE GLOBAL FINANCIAL CENTRES INDEX (GFCI)

In 2021, a global ranking system, awarded Nur-Sultan 75th place on the global arena, and 5th in the regional table (Eastern Europe and Central Asia). AIFC showed significant progress in its goal of gaining international recognition.



THE GLOBAL GREEN FINANCE INDEX (GGFI)

The index charts the progress of the world's financial centres towards a financial system that delivers sustainable development, and values people and the planet as much as profit. The AIFC started work to enter the index in 2020 and succeeded in leading the Eastern Europe and Central Asian countries and occupying 52nd place globally in GGFI'8 (2021).



GLOBAL ISLAMIC FINANCE REPORT

Initiatives taken by the AIFC to promote and develop Islamic finance improved Kazakhstan's position in the Islamic Finance Country Index to 17th in 2021, according to the Global Islamic Finance Report (GIFR 2021).

GLOBAL FINTECH INDEX

In 2021 Kazakhstan entered the rating for the first time and was ranked 13th amongst the countries of the Asia-Pacific region and 66th in the overall rating among 83 countries. The Global Fintech Index Rankings Report ranks countries based on the assessment of the local infrastructure, the regulatory environment, as well as the quantity and quality of fintech companies on the market.



WORLD ALLIANCE OF INTERNATIONAL FINANCIAL CENTERS (WAIFC)

AIFC is an active member of the WAIFC, a non-profit association registered in Belgium representing 20 leading international financial centres on four continents. WAIFC members comprise city governments, associations, and similar institutions developing and promoting their financial centres.



WORLD FEDERATION OF EXCHANGES

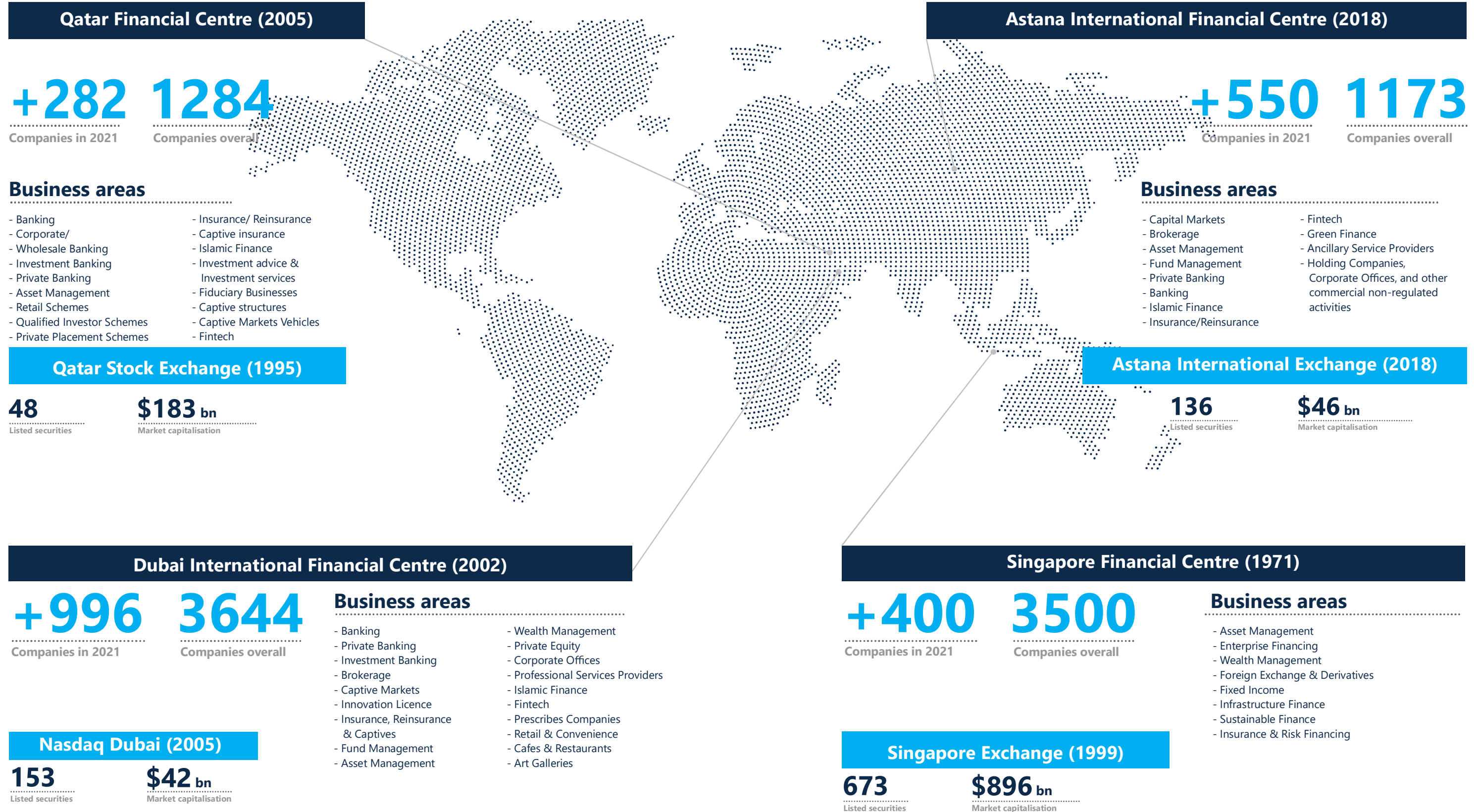
AIX has been approved as a full member of the World Federation of Exchanges (WFE), the global industry group for exchanges and CCPs, which represents over 250 market infrastructure providers, including 68 exchanges – full members of the WFE.



THE FINANCIAL TIMES STOCK EXCHANGE (FTSE)

In 2020, FTSE Russell, a subsidiary of the London Stock Exchange Group (LSEG), added the AIX as an eligible trading venue within the Ground Rules for the FTSE Frontier Index Series. The addition of the AIX will also assist in the country's medium-term objective of achieving Secondary Emerging Market status. By the end of 2021, the weight of Kazakhstan in the FTSE Frontier Index has reached 2.98% (USD 4.4 bn).

AIFC IN THE GLOBAL LANDSCAPE



Qatar Financial Centre (2005)

+282 Companies in 2021
1284 Companies overall

Business areas

- Banking
- Corporate/ Wholesale Banking
- Investment Banking
- Private Banking
- Asset Management
- Retail Schemes
- Qualified Investor Schemes
- Private Placement Schemes
- Insurance/ Reinsurance
- Captive insurance
- Islamic Finance
- Investment advice & Investment services
- Fiduciary Businesses
- Captive structures
- Captive Markets Vehicles
- Fintech

Qatar Stock Exchange (1995)

48 Listed securities
\$183 bn Market capitalisation

Astana International Financial Centre (2018)

+550 Companies in 2021
1173 Companies overall

Business areas

- Capital Markets
- Brokerage
- Asset Management
- Fund Management
- Private Banking
- Banking
- Islamic Finance
- Insurance/Reinsurance
- Fintech
- Green Finance
- Ancillary Service Providers
- Holding Companies, Corporate Offices, and other commercial non-regulated activities

Astana International Exchange (2018)

136 Listed securities
\$46 bn Market capitalisation

Dubai International Financial Centre (2002)

+996 Companies in 2021
3644 Companies overall

Business areas

- Banking
- Private Banking
- Investment Banking
- Brokerage
- Captive Markets
- Innovation Licence
- Insurance, Reinsurance & Captives
- Fund Management
- Asset Management
- Wealth Management
- Private Equity
- Corporate Offices
- Professional Services Providers
- Islamic Finance
- Fintech
- Prescribes Companies
- Retail & Convenience
- Cafes & Restaurants
- Art Galleries

Nasdaq Dubai (2005)

153 Listed securities
\$42 bn Market capitalisation

Singapore Financial Centre (1971)

+400 Companies in 2021
3500 Companies overall

Business areas

- Asset Management
- Enterprise Financing
- Wealth Management
- Foreign Exchange & Derivatives
- Fixed Income
- Infrastructure Finance
- Sustainable Finance
- Insurance & Risk Financing

Singapore Exchange (1999)

673 Listed securities
\$896 bn Market capitalisation

3. 2021 - A YEAR OF GROWTH OF AIFC ECOSYSTEM



3.1 BUSINESS AREAS

AIFC offers a growth-driven environment with progressive values and a unique value proposition for global and local stakeholders. As a member of the World Alliance of International Financial Centers, AIFC strives for better cooperation and works closely with other international financial centres to implement global standards not only in Kazakhstan but in the vast region of Central Asia, the Caucasus, EAEU, Western China, Mongolia and Eastern Europe (hereinafter - the region).

In 2021, AIFC continued its transformation into a digitally sophisticated investment hub and regional financial centre, further enhancing regulatory framework, delivering new financial products and services, and ensuring operational efficiency. Growth trajectory was evident across all business areas and strategic directions as a result of AIFC's continued work with the Government, key stakeholders and partners, and proactive steps taken towards strengthening the economy of Kazakhstan.

Capital market

Capital market of AIFC offers a wide range of services and products through the organised investment exchange, the AIX, and over the counter (OTC) market segment. AIX offers investors and issuers all the main capital market instruments, such as initial and secondary public offerings, trading in shares, sovereign and corporate bonds, depositary receipts, exchange traded funds and notes, as well as Islamic financing instruments and RMB bonds. The main advantages of the AIX include the regulatory environment based on international standards, a developed trading infrastructure consisting of local and foreign brokers, variety of tools for raising capital by businesses covering different areas and forms of ownership and innovations such as mobile application for retail investors - Tabys.

136 securities of 89 issuers are listed on the AIX.

Asset management

AIFC asset management framework is ideally suited to investors seeking professional investment and portfolio management services, as well as industry players gaining access to an advanced asset management ecosystem.

14 asset management firms are registered in the AIFC with 6 of them joining in 2021.

Brokerage

A favourable ecosystem and multi-currency trading operations, allow regional and international brokerage firms to gain a competitive cost advantage and access to the Central Asian market.

18 major local (BCC Invest, Halyk Finance, SkyBridge, Freedom Finance etc.) and 11 international brokerage companies (CITIC Securities, Renaissance Capital, WOOD & Company Financial Services, China International Capital Corporation Hong Kong Securities, Shenwan Hongyuan Securities Hong Kong etc.).

Private banking

The development of the private banking sector and an extensive range of products and services (managing investments, investment and portfolio advisory, wealth planning, asset allocation) are offered via models and structures such as representative and advisory offices/branches for local players, in line with global best practices pertaining to contemporary wealth management.

Fund management

AIFC offers a world-class legislative and regulatory environment for fund managers to structure, manage, and domicile funds designed for various investment strategies. The AIFC provides a great opportunity for global as well as local fund managers to expand their reach to the emerging pool of wealth in Central Asia.

Agreements with securities regulators of the European Union set the framework conditions. They represent new opportunities for AIFC fund managers to market and manage alternative investment funds (hedge funds, private equity, and real estate funds) for professional investors in relevant countries of the EU, as well as for EU firms to manage or market alternative investment funds in the AIFC.

6 investment funds are registered in the AIFC, including 5 companies in 2021, for example, incorporation of ANU Energy OEIC (KAP Uranium Fund) in the AIFC with an initial allocation of USD 50 mln, SHC ALEM FUND OEIC, Kompetenz Invest Open-Ended Investment Company, SBI Adamant Fund, MOST Ventures Fund I, Alpha State Multi-Strategy Fund Open-Ended Investment Company.

Banking

New entities, as well as existing bank representatives from around the globe, are taking advantage of the positive economic changes in Central Asia. They are meeting an increasing demand for a range of commercial and wholesale banking services.

The following banks are registered in the AIFC: China Construction Bank Corporation Astana Branch, China Development Bank Astana Representative Office Recognised Company, branch of Unibank OJSC in the AIFC, Hungarian Export-Import Bank (Representative Office of Eximbank in Nur-Sultan), Al Saqr Islamic Bank etc.

Islamic Finance

With the growth of the Islamic finance industry in the region, the AIFC has built connections with the industry's prominent international participants and organisations. The AIFC Islamic Finance and Business Hub offers consultation and support to current and new market participants for licensing Islamic finance activities, also in structuring and issuing Islamic finance instruments and securities. Alongside international and local market leaders and experts in Islamic finance, the Hub holds educational and awareness-raising seminars, workshops, and certification programmes on Islamic finance.

More than 40 companies registered within the Islamic finance industry: Islamic banking and financing, Islamic fintech, Shari'ah consulting, legal consulting, providing credit rating, advising on investments etc. (Al Saqr Islamic Bank, Islamic International Rating Agency "Bahrain Shareholding Company, AIFC Branch", Kazakhstan Islamic Finance Company etc.).

Green finance

In light of Central Asia's transition towards a green economy and an increasing need to finance green projects, the AIFC Green Finance Centre (GFC) provides initial assistance to potential issuers, investors, and market players for the issuance of green bonds and sustainability on stock exchanges.

The volume of the total sustainable finance market in Kazakhstan has reached USD 250 mln in 2021. The first externally reviewed green loan in Kazakhstan was approved with GFC support and issued by GFC shareholder, Eurasian Development Bank (EDB), to finance a private energy efficiency project. In addition, EDB listed social bonds on AIX and KASE. Samruk-Energy also issued green bonds in 2021.

Insurance, reinsurance

The AIFC's unique offering in insurance sector is associated with reinsurance and captive insurance service, which are currently either absent or has limited availability throughout the Eurasian region. In addition, insurers operating in or from AIFC have access to financial market of Kazakhstan with ability to offer reinsurance and captive insurance, some types of voluntary insurance (air transport, water transport, space objects, air and water transport cargo), new types of insurance (such as climate insurance, political risks, cyber risks, terrorism etc.), as well as additional types of insurance (Islamic insurance, guarantees, court costs etc.).

Following obtaining of access to financial markets of Kazakhstan there are promising perspectives of insurance sector in AIFC. Currently the insurance sector is at emerging stage and is represented by firms as Kazakhstan Energy Reinsurance Company, GB Insurance and Lareco Underwriting.

Financial technology

The AIFC is the first jurisdiction in the region to support regulatory frameworks for new forms of investments, including crowdfunding, trading with digital assets, testing and developing fintech services under the regulatory sandbox regime called FinTech Lab, and the cross-border testing of fintech activities in several jurisdictions under the Global Financial Innovation Network (a network of financial regulators).

The FinTech Lab regulatory sandbox includes 40 companies from industries such as digital assets, money services, crowdfunding, investment business, Islamic finance, banking etc.

About 200 technology, ICT and fintech companies have already registered in the AIFC jurisdiction, including such major global companies as Amazon Data Services Kazakhstan, MineBest Kazakhstan, Bitfury, Hashtech, Volting, WSAM Group etc.

Ancillary services

The ancillary services sector supports the functioning of financial markets and AIFC participants through a range of professional services, such as legal, audit, accountancy, consulting, and credit rating services.

137 providers of ancillary services are registered in the AIFC including audit and consulting companies (KPMG, Ernst & Young, Deloitte, Russell Bedford A+Partners), credit rating agencies (Islamic International Rating Agency, Analytical Credit Rating Agency), legal firms (Curtis Mallet-Prevost, Kinstellar) and others.

3.2 REGULATORY FRAMEWORK

The Astana Financial Services Authority (AFSA) is an independent regulator of the AIFC that was established under the Constitutional Statute of the Republic of Kazakhstan "On the Astana International Financial Centre" to regulate financial services and related activities in the AIFC. The AFSA's purpose is to facilitate business by maintaining the safety and robustness of the AIFC financial system, ensuring that financial markets in the AIFC are fair, efficient, and transparent. The AFSA's regulatory remit includes financial and market services in banking, insurance, capital markets, Islamic finance, fintech, as well as ancillary services.

KEY DEVELOPMENTS

AFSA has pursued its activities in 2021, guided by the AIFC Development Strategy until 2025, adopted by the AIFC Management Council in 2020. Specifically, AFSA focused on the implementation of AIFC objectives as set out in the Constitutional Statute "On the AIFC", contributing to the implementation of relevant reforms necessary for the proper functioning of the financial sector. The Strategy was implemented through a number of legislative initiatives. These included an enhancement of AIFC regulatory frameworks, and expanded access to the financial markets of Kazakhstan for AIFC participants. There was also a growing AIFC participants' community, further streamlining of registration and authorisation procedures, alignment to international standards of financial services regulation and the expansion of AFSA's presence in the global arena.

POLICY DEVELOPMENT

AFSA continued with legislative initiatives to support the delivery of the overall AIFC strategy. The resolution of domestic cross-jurisdictional matters, particularly in respect of currency operations faced by AIFC participants, was one of the most important policy priorities in 2021. This required intensive engagement with the National Bank of Kazakhstan and the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market. With a great deal of support from Kazakhstani regulators this work has resulted in the adoption of the **Rules on Currency Regulation and Provision of Information on Currency Transactions in the AIFC** in November 2021, enhancing access of AFSA authorised firms to Kazakhstan's financial market.

In particular, the agreed framework governed the terms and procedures for foreign currency transactions in AIFC, determined a list of financial services aimed at developing the banking and insurance sectors, Islamic finance, as well as investment services, and professional services.

In order to minimize the risks of the country's financial stability, regulators of AIFC and Kazakhstan will exchange information. The National Bank of Kazakhstan receives all the necessary information about currency transactions in the AIFC.

Since 2018, the AIFC's tax regime has been the subject of a review by the OECD Forum on Tax Practice, including provisions to combat tax evasion and tax base erosion.

The result of the work on bringing transparency standards for tax purposes to the AIFC are **the Rules on the Substantial Presence of the AIFC Participants Applying Tax Exemptions for the Payment of CIT, VAT**, which were approved by the AIFC jointly with the Ministry of Finance of the Republic of Kazakhstan.

Demonstrating its commitment to aligning the AIFC framework with best international standards, AFSA carried out enhancements to the **Anti-Money Laundering and the Combatting of Terrorism Financing (AML/CFT) Framework** in accordance with the Recommendations of the Financial Action Task Force (FATF).

AFSA continued the development of new frameworks in response to market needs, such as **Multilateral and Organised Trading Facility (MTF/OTF) Framework**, and **Digital Assets Framework enhancements in the AIFC**.



**Kairat Kelimbetov,
AIFC Governor:**

"The adoption of the Rules on currency regulation marks an important agreement between regulators on currency relations in AIFC and clarifies types of services and its currency that AIFC participants can provide to residents of Kazakhstan. For example, the agreed list of services especially considers issues such as lending to Kazakh legal entities by AIFC banks, development of insurance and banking services, as well as securities market services. The highest priority in development of the Rules was to ensure the financial stability of the financial system of Kazakhstan and minimize the risks. In developing the rules, we had to take into account the joint position of all the regulators involved. Based on this, the Rules set limits on the most sensitive types of services, as well as offer a mechanism for information exchange between regulators to prevent possible negative effects to the financial stability of the country."



REGISTRATION, AUTHORISATION AND RECOGNITION

The number of registered firms reached 1,173 by the end of 2021 with 550 new firms choosing the AIFC as their jurisdiction. Almost a two-fold increase in registration dynamics in 2021 demonstrates the recovery of the business environment after the pandemic.

Around 40% of the total number of registered and recognised AIFC participants are foreign investors, representing 60 foreign countries. The top-5 international jurisdictions with the biggest presence in the AIFC are China (9%), the European Union (6%), Russia (6%), the United Kingdom (3%) and the United States (3%).

AIFC PARTICIPANTS BY TYPE OF BUSINESS ACTIVITIES (REGISTRATION DYNAMICS)

Type of activities	2017	2018	2019	2020	2021	Bcero
Authorised activities	4	39	84	57	53	237
- <i>Regulated activities</i>		9	12	14	24	59
- <i>Ancillary services</i>		24	59	35	19	137
- <i>Authorised Market Institutions</i>	1	1		1		3
- <i>FinTech Lab</i>	3	5	13	7	10	38
Non-Financial activities	2	39	165	233	497	936
Total:	6	78	248	291	550	1 173

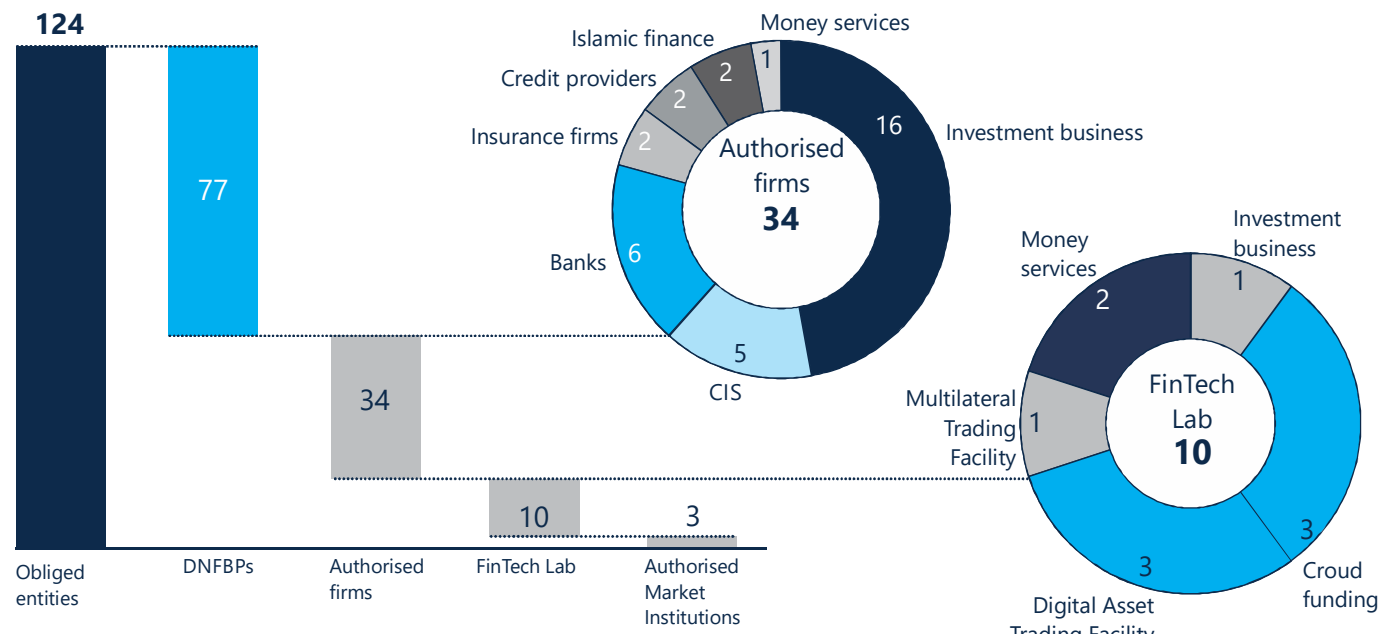
SUPERVISION AND ENFORCEMENT

AFSA's integrated system of supervision secured the efficient functioning of financial markets, integrity of markets and financial stability.

The fact that, for the first time, assets of the financial sector went above the mark of USD 1 bn, is a testament to the ongoing expansion of the AIFC.

In the capital markets field, AFSA continued to primarily focus on the oversight of two Authorised Market Institutions: Astana International Exchange (AIX) and Astana International Exchange Central Securities Depository (AIX CSD). AFSA reviewed and approved different business initiatives of the AIX and AIX CSD, such as the launching of AIX Qazaq Index, enhanced settlement model, and its REPO project.

In 2021, AFSA created a new **Anti-Money Laundering Division** within the Regulatory Office in line with its international commitments to AML/CFT, which reinforces AFSA's aspiration to ensure that AIFC is not used for the purposes of money laundering. In anticipation of an upcoming Mutual Evaluation by the FATF and Eurasian Group (EAG), a FATF style regional body, in 2021 the AFSA has rolled out a roadmap for preparation of an international assessment. The Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market and AFSA formalised co-operation by entering into a Memorandum of Understanding. This was in order to unite efforts for the purposes of AML/CFT in Kazakhstan, and to prepare for the mutual assessment. One of the most important AML-related priorities for AFSA in 2022 will be achieving a positive outcome from the FATF/EAG Evaluation of Kazakhstan.



*DNFBPS - Designated Non-Financial Business and Professions

Figure 4. AIFC firms subject to financial monitoring for AML compliance

REGULATION OF FINTECH

FinTech Lab is the first of its kind in the Central Asia regulatory sandbox with a tailored live environment, where firms can offer innovative financial services without being immediately subject to the full set of regulatory requirements.

FinTech Lab allows:

- firms licensed in foreign jurisdictions to test the regional markets with minimum resources and presence in AIFC;
- start-up firms to provide activities regulated in the AIFC by gradually complying with regulatory requirements;
- both incumbent and start-up firms to test new products and technologies in live environment with real clients.

Over the four years of its efficient functioning, the FinTech Lab has proved to be a highly popular destination for financial innovators from all over the world. In 2021, AFSA received and processed **71 applications**, accepting **10 firms** to the FinTech Lab; thus, the total amount of companies in Fintech lab has reached 40. Participants and prospective applicants came from 20 jurisdictions offering **7 different types of innovative financial services**, such as digital assets, providing money services, crowdfunding, banking, investment business, Islamic finance and factoring.

The significant rise in the number of registered fintech firms establishing a presence at the AIFC, highlights sustained efforts to transform the region's financial technology ecosystem and drive sustainable economic growth.

As the digital assets industry received strong market interest, AFSA focused on certain projects to create an 'enabling'

environment. The Working Group with the government authorities and peer regulators of Kazakhstan, has resulted in the adoption of a **Roadmap on development of the crypto industry of Kazakhstan**. It is envisaged that in close cooperation with the National Bank of Kazakhstan and the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market a pilot project will be launched in 2022, allowing crypto exchanges to operate in the AIFC under an environment controlled by AFSA.

Generally, AFSA's FinTech workstreams are going to focus on such areas as digital assets, payment infrastructure, investment activities, and further development of the regulatory sandbox environment, while cooperation with the AIFC Authority will focus on the development of such frameworks as digital banking, e-money and a payment service framework.

INTERNATIONAL CO-OPERATION

Throughout 2021, international relations of AFSA have focused on further aligning with international standards of financial services regulations, the advancing of global and regional recognition of AIFC, and promotion of the international profile of AFSA. Several initiatives have advanced the international profile of AFSA, including:

1. chairmanship in the **Group of Banking Supervisors from Central and Eastern Europe (BSCEE)**;
2. formalisation of co-operation with securities' regulators of the European Union through the **European Securities and Markets Authority (ESMA)**;
3. assumption of a role as **Regional Coordinator for IAIS MMoU** in Central and Eastern Europe and the Transcaucasian (CEET) region;
4. high-level meeting on **Regulatory Cooperation in Central Asia**.

AFSA effectively contributed to the activities of global standard-setting organisations. The main avenues for AFSA's involvement were:

1. through its membership of 15 committees and working groups of international organisations (AFSA joined the Technical Committee of IFSB in 2021);
2. its contribution to research and survey initiatives globally;
3. attendance at international forums, discussing and expanding the global regulatory agenda.

AFSA further strengthened its bilateral relations with peer regulators from Europe and Asia, enhancing its ability to exchange information and experience with regulators on supervisory issues. Co-operation with **19 peer regulators** was formalised through bilateral agreements and memoranda, including 17 MoUs on margins of the Alternative Investment Fund Managers Directive (AIFMD). This has brought the total number of agreements and memoranda concluded by AFSA to 43.

1,173

total AIFC participants registered by AFSA

95%

of all applications for registration of companies in the AIFC are online

40

companies in FinTech Lab

\$1.07

bn

volume of assets in the AIFC financial services sector

19

peer regulators formalised bilateral agreements and memoranda with AFSA

3.3 AIFC LAW AND JURISDICTION

The **AIFC Court and International Arbitration Centre (IAC)** are two separate and independent Bodies of the AIFC that were established to provide world-class dispute resolution of commercial disputes involving parties doing business in the AIFC and parties doing business outside the AIFC, upon the consent of the parties to a dispute.

The AIFC Court and IAC have been fully operational as modern international dispute resolution institutions since January 2018. The AIFC Court and IAC continue to be the only international standard dispute resolution institutions of their type in Eurasia, and their activities are focused on achieving one goal: to become the number one choice for commercial dispute resolution in Eurasia.

The AIFC Court comprises of the Court of First Instance, within which there is a special fast-track procedure for small claims up to the value of USD 150,000, and it has a final Court of Appeal.

In addition to its Chief Justice, the AIFC Court has eight world-class, prominent judges from the English and Welsh common law system, all of which have significant international dispute resolution experience. The IAC has its own panel of international arbitrators and mediators who have extensive experience of all major global financial centres and jurisdictions. The AIFC Court and IAC also have world-class case management leadership and systems to have quick and cost-effective dispute resolution.

5,700

business contracts providing for AIFC dispute resolution

939

total cases resolved by the AIFC Court and IAC

21 judgements of the AIFC Court

918

mediation and arbitration awards of the IAC

KEY RESULTS

Within the past year of its operations, the volume of cases in the AIFC Court and IAC has increased threefold, recording **939 cases**, that signals strong business confidence in the dispute resolution institutions of the AIFC. Cases brought before the AIFC Court and IAC covered a wide range of commercial and investment related matters, including finance, construction, sales and services contracts, and employment.

These results are unprecedented for dispute resolution institutions at an international financial centre which has only been operating for four years.

The AIFC Court and IAC gained significant international recognition in 2021. The parties in the cases at the AIFC Court and IAC came from 19 countries, including most of the CIS countries, and globally from key Kazakhstani trading partners including China, India, and 15 Belt and Road Initiative countries as a part of the "AIFC Court and IAC BRI Initiative".

The applicable laws in the disputes included AIFC law and the laws of Kazakhstan. All Court judgements and arbitration awards were enforced within the Republic of Kazakhstan to **100% satisfaction** of the parties using the AIFC Court's special step by step enforcement procedure that operates directly between the AIFC Court and the enforcement authorities.

The number of contracts choosing to have the AIFC Court and IAC model dispute resolution clauses has reached more than **5,700 business contracts** of industry leaders, including Chevron, Tengizchevroil and North Caspian Operating Company (NCOC), with more than USD 2 bn in claims value.

324 lawyers from 29 jurisdictions (27 countries) joined the AIFC Court for rights of audience to enable them to represent clients in cases at the AIFC Court.

The AIFC Court and IAC, as independent self-managed institutions that give final decisions which cannot be overturned by any court in the Republic of Kazakhstan, continued to cooperate closely with the Republic of Kazakhstan Supreme Court. This cooperation included meetings, lectures and training webinars. The **Transfer of Cases Scheme** was agreed upon by the Supreme Court, the AIFC Court and IAC, to enable the quick and cost-effective transfer of commercial disputes, (with the written consent of the parties in a dispute), from the national courts of the Republic of Kazakhstan to the AIFC Court and IAC. One case was accepted for jurisdiction by the Chief Justice of the AIFC Court, Lord Mance, and judgement was given by the AIFC Court.

Moreover, to attract more investment in the country's oil and gas sector, dispute resolution under an **Enhanced Model Contract in the oil and gas sector**, as well as under short-term service/operating contracts of investors by the AIFC Court and IAC as alternative dispute resolution platforms, was fully endorsed by the participants at the Foreign Investors Council's meeting, chaired by the President of the Republic of Kazakhstan, in August 2021.

Engagement with the AIFC Court and IAC users' community continued with three Users' Committee meetings, comprising representation from the senior partners of more than 15 law firms and other organisations, enhanced dispute resolution webinars and training programmes attended by more than 1,000 people, and structured internships for more than 20 law students.

In 2021, the AIFC Court participated at the annual **Standing International Forum of Commercial Courts**, which comprises Chief Justices and Registrars from the senior courts of more than 40 jurisdictions. The AIFC Court and IAC gave more than 60 lead speeches at local, regional and global conferences, including with key AIFC Court and IAC MOU partners in Asia and Europe, as part of their enhanced promotions campaign. They also hosted the first annual IAC-Vis Central Asia Pre-Moot competition with 22 teams from 17 countries. The Final was presided over by the IAC Chairman, Barbara Dohmann QC. The fourth annual AIFC Court and IAC Moot Competition had a Final that was presided over by three senior AIFC Court Justices with opening remarks from the AIFC Court Chief Justice, The

324

from 29 jurisdictions joined the AIFC Court for rights of audience

9 experienced and distinguished international judges

41 arbitrators and mediators on the IAC Panel



Ms. Barbara Dohmann QC, IAC Chairman:

"2021 was another very successful year for the IAC. We had an unprecedented number of arbitration awards and mediation settlements for a new centre at this stage of its operations. We collaborated successfully with arbitrators, mediators, and partner ADR institutions from around the world. The IAC provided a large number of webinars and training programmes on current arbitration and mediation matters, and it generally contributed to the promotion and development of arbitration and mediation in Eurasia. Investors can take comfort that the long-term future of the IAC as an independent world class arbitration and mediation institution is secure; continuity has been assured by the appointment of RA Thomas Krueffel, IAC Arbitrator Panel member and Partner at the internationally focused law firm Meyer-Koering in Berlin, Germany; I am delighted to say that he will succeed me as IAC Chairman from 1 January 2023."





**The Rt. Hon. The Lord Mance,
Chief Justice of the AIFC Court:**

"I am delighted that the AIFC Court has become an active commercial court as it comes to the end of its fourth year of operations. The AIFC Court has given 21 judgements and has ongoing case work including a range of contractual disputes in the commercial field. I am particularly pleased that, despite the pandemic, the AIFC Court has not been confined to remote hearings but has recently heard its first case in its world class premises in Nur-Sultan, Kazakhstan. I also welcome the constitutional arrangement under which the first case has, by consent of the parties to the case, been transferred from the national courts of the Republic of Kazakhstan to, and has so been dealt with by, the AIFC Court."



Rt. Hon. The Lord Mance.
The AIFC Court and IAC are implementing their joint 2025 vision comprising a programme of activities focusing on business stability, growth and recognition. To maintain judicial excellence and stability, all of the judges of the AIFC Court, and the Registrar and Chief Executive of the AIFC Court and IAC, Mr. Christopher Campbell-Holt, have committed to remain in their roles at the AIFC Court for another five years.



3.4 INNOVATIVE TRADING INFRASTRUCTURE

The Astana International Exchange (AIX), after successfully establishing itself as a world-class stock exchange, is ready to move forward and find new ways of developing its business in capital market of the country.

AIX has built up a high-tech trading platform from scratch that offers not only expertise in its field, but also a regulatory environment that is familiar to the foreign investment community. AIX has a community of 29 trading members, including brokers operating in Kazakhstan, Europe, China and other neighbouring countries.

AIX is supported by the most experienced and influential international players, such as Shanghai Stock Exchange, the hi-tech stock exchange giant Nasdaq, the international financial corporation Goldman Sachs, and the Silk Road Fund which opens access to projects within the framework of the Belt and Road Initiative.

The Exchange provides a complete business cycle, including trading and post-trade processing. It uses the Nasdaq trading platform and offers a T+2 post-trade infrastructure connected to local and international custodians.

AIX has moved the Nasdaq matching engine to the Amazon Web Services' cloud, thereby setting a new industry benchmark for others to follow. The technology upgrade provides AIX with standardised and unified operations, messaging and data infrastructure, which gives AIX flexibility to launch new products and services faster and more cost-efficiently for its securities market. AIX listings rules correspond to equivalent London Stock Exchange requirements, which represent a high standard for many companies, primarily in information disclosure, corporate governance and transparency, and the institution of independent directors.

KEY RESULTS

\$1,53bn

of debt capital raised on the AIX

\$321mln

total equity capital

136 listings on AIX

x5 increase in annual trading volume

> 160 000

investor accounts in the AIX CSD

15 000

individual accounts in Tabys app

\$46bn

market capitalization of companies listed on AIX



**Renat Bekturov,
CEO of AIX:**

“In November 2021, three years have passed since the launch of trading on AIX. Even though more than half of this time was at the height of the pandemic and the crisis in the global stock markets, we managed to achieve impressive success.

We were delighted to be welcomed within the global community of exchanges (WFE) that recognised AIX as a marketplace which meets the highest standards of leading global bourses, playing a vital role in the development of an innovative and vibrant local capital market.

AIFC jurisdiction and its infrastructure offer attractive conditions for the implementation of the Government’s Comprehensive Privatisation Plan for 2021-2025, and the previous success of the IPO of state-owned Kazatomprom provides clear proof of that. AIX is fully ready to provide its platform and resources for the upcoming IPOs of Samruk-Kazyna portfolio companies.

AIX develops a system of sustainable financing in the stock market and provides professional support to participants in this process. We expect the ESG bond and green bond market in Kazakhstan to continuously grow on the back of global incentives for the adoption of sustainable development practices and the implementation of ESG goals amongst both issuers and investors.

AIX has ambitious plans for 2022, which will bring a new level of development and improvement to the exchange, so contributing to Kazakhstan’s investment landscape.”



The COVID-19 pandemic has had an unprecedented impact on capital markets and the economic situation globally and regionally. In 2021, despite some difficulties, AIX successfully continued to follow its mission to develop trusted and liquid capital markets in Central Asia and beyond by providing innovative products and services for businesses and investors.

- The official AIX list includes **136 listings of 89 different issuers**, including 2 exchange-traded funds (ETFs) and 16 exchange-traded notes (ETNs).
- **Debt capital** raised amounted to about **USD 1.5 bn**, and **equity capital** equaled **USD 321 mln**.
- AIX market capitalization exceeded **USD 46 bn**.
- Total **trading value** reached **USD 305 mln**.
- **29 trading members**, including brokers from Kazakhstan, Europe, China and other neighbouring countries.
- Over **160,000 investor accounts** in the AIX Central Securities Depository (AIX CSD).
- AIX launched a new service – **direct listing** of shares, which allows a company to become public without raising capital through the conventional initial public offering process (IPO).
- AIX and **Euroclear Bank** prepared new **Enhanced Settlement Service** which allows institutional investors to settle trades in Euroclearable securities admitted to trading on AIX either in a Euroclear Bank account (if both members of Euroclear Bank and AIX) or via a custodian account at Euroclear Bank.
- AIX became a full member of the **World Federation of Exchanges**, the global industry group for exchanges and CCPs, which represents over 250 market infrastructure providers.

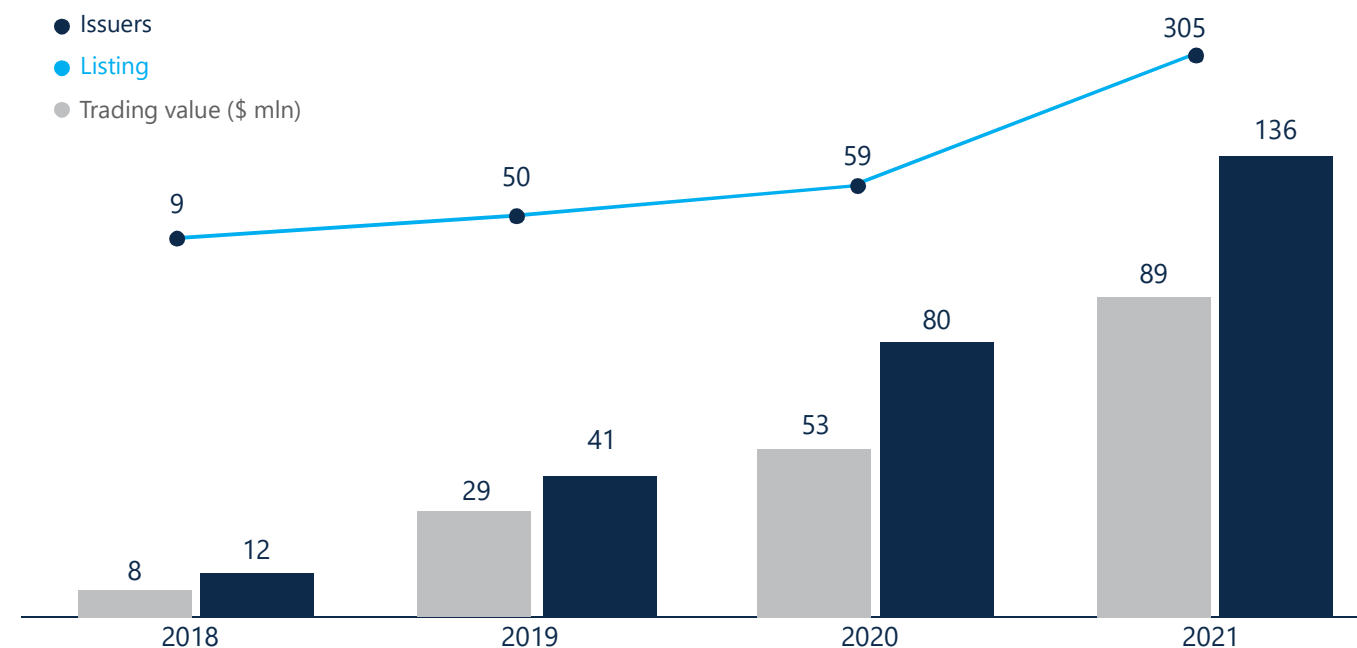


Figure 5. AIX issuers, listings, and trading value, 2018-2021

LISTINGS

56 new listings in 2021 mainly included private and public bonds, sovereign bonds, ETNs, pre-IPO and debut green and social bonds, the most significant of which were the following:

- Debut placement of 5-year **Eurobonds of Samruk-Kazyna** for USD 500 mln on the AIX, KASE, and LSE, whereas USD 57 mln was raised on the AIX.
- 3-year private **bonds of KAZ Minerals subsidiary Bozshakol** for USD 100 mln
- Cross-listing of **bonds of KazMunayGas**, listed on LSE, for a total amount of USD 6.25 bn
- **Social bonds of Eurasian Development Bank** for KZT 20 bn for the development of social projects in the territory of the Republic of Kazakhstan.
- **Green bonds by Samruk-Energy** for KZT 18.4 bn to finance eligible green projects that comply with ICMA Green Bond Principles. Samruk-Energy became the 1st Kazakh issuer from the manufacturing sector to raise debt financing through green bonds.
- **iX Bitcoin ETNs**, whose underlying assets are shares of the ProShares Bitcoin Strategy ETF (BITO), one of the largest funds tracking the dynamics of bitcoin futures.
- **IUIF Fixed Income USD exchange notes** linked to the profitability indicators of the local interval mutual investment fund “Fixed Income USD”.
- **Kaz Financials exchange notes** linked to the performance of shares of Kazakhstani banks – Bank CenterCredit, Halyk Bank and Kaspi Bank.

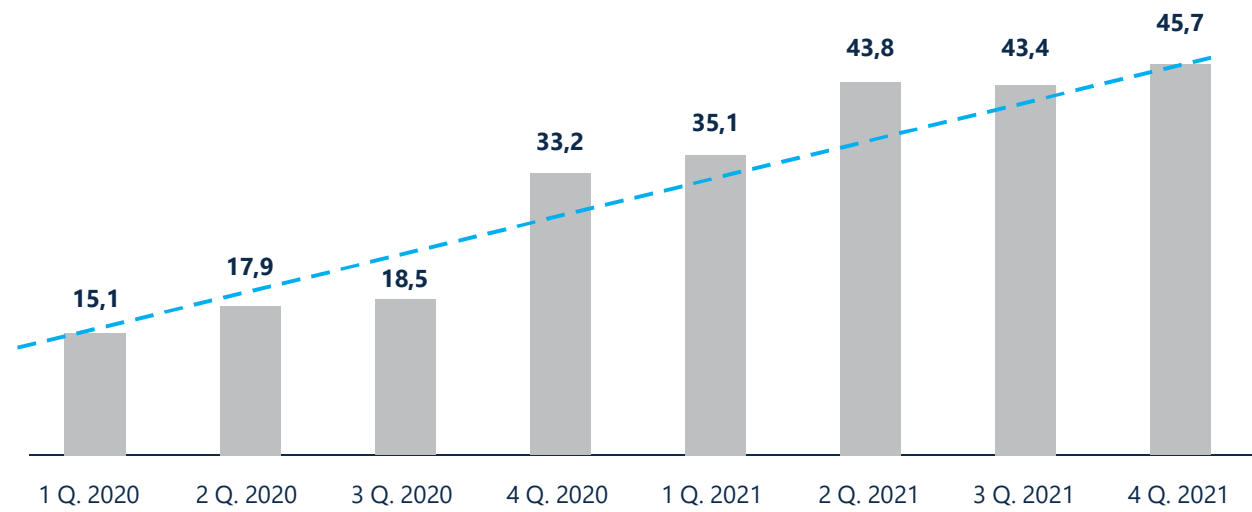


Figure 6. AIX market capitalisation, USD bn

SETTLEMENT

For post-trade activities, AIX has set up two separate legal entities under the AIFC law:

- **Astana International Exchange Central Securities Depository (AIX CSD)** is a private company responsible for daily cash and securities settlement and depository activities.
- **Astana International Exchange Registrar (AIX Registrar)** is a private company which stores and maintains the central registry of shareholders.

In 2020, the AIX CSD opened a personal account in Central Securities Depository (KCSD). At the same time, KCSD became a participant in AIX CSD as a custodian.

AIX QAZAQ INDEX

In July 2021, AIX launched AIX Qazaq Index (AIXQI), which measures the performance of the shares of Kazakh linked companies. AIXQI is a market capitalisation weighted index with maximum weight cap, comprised of equities and GDRs of **8 Kazakh and Kazakh linked companies traded on AIX, KASE, and LSE**, which are either registered in Kazakhstan, whose business income is generated partially or fully in Kazakhstan or a substantial portion of operational activity is in Kazakhstan. The Index was primarily created for improving the investment process, measuring performances of the most liquid segment of the Kazakh capital market, with the possibility of comparing potential investment strategies with the Index. During 2021, AIXQI showed a 10% growth despite the high volatility of stock markets in 2H2021, caused by the spread of new COVID-19 strains and higher inflation.

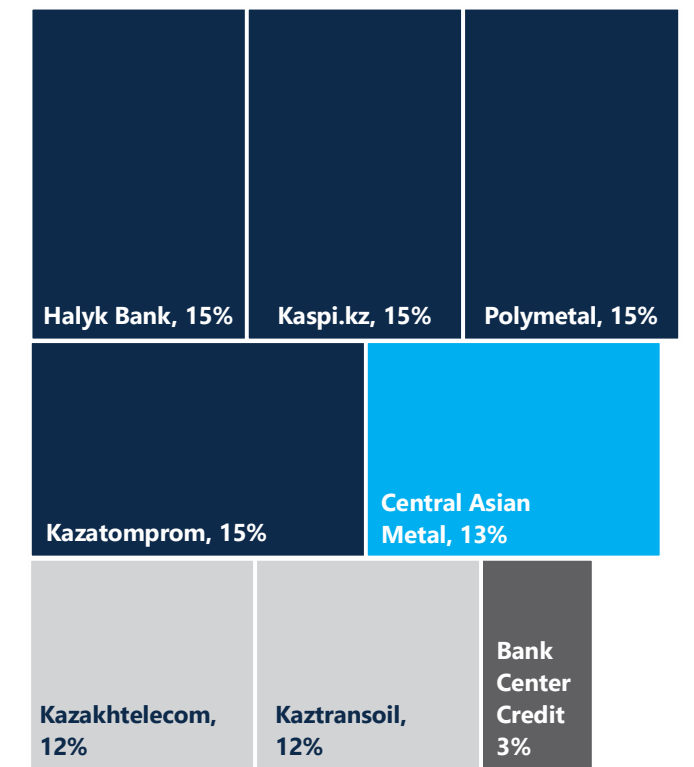


Figure 7. AIX Qazaq Index components



Nandini Sukumar,
CEO of World Federation of Exchanges (WFE):

"We are delighted to welcome AIX to WFE membership. Our criteria, process and inspection is a stringent one involving an assessment of the market structure and the regulatory framework in which it sits, discussions with stakeholders in the national jurisdiction, a peer review process and an inspection. AIX joins 68 other exchanges and CCPs around the world that have met WFE standards as laid out in our principles for exchanges."



DEVELOPMENT OF RETAIL INVESTOR BASE

The development of the retail sector is one of the strategic directions for AIX's vision. In 2021, there was a significant increase in the activity of retail investors in Kazakhstan - by the end of the year, the number of accounts registered in AIX CSD exceeded 160,000 compared to 98,000 in 2020.

The activity of retail investors has grown also due to the launch of the Tabys mobile app at the end of 2020. Over 15,000 individual accounts in the AIX Registrar have been opened in the app for storing exchange notes, 5,000 of which are Tabys active users from every region of Kazakhstan, with the largest share representing Nur-Sultan, Almaty, Shymkent and Karaganda.

Tabys is the first mobile application for retail investors in Kazakhstan, which allows to invest in global financial markets, starting from less than USD 10. Investors can buy exchange-traded notes (ETNs) linked to global financial indices, such as S&P500, Nasdaq, bonds of U.S. companies or U.S. Treasury bonds, emerging markets stocks and bonds, "blue chips" Kazakh stocks, gold, Brent oil.

Total investments via Tabys by the end of 2021 amounted to **over USD 2.6 mln**, and the trading volume - **USD 4.8 mln** over the year.

3.5 BUSINESS SUPPORT

AIFC Business Connect (ABC) is the main business development arm within the AIFC ecosystem as well as the client-faced "front-office", providing comprehensive participant support and promoting the AIFC products and solutions.

The key functions of ABC include interacting with international financial institutions and companies seeking to expand their presence in the region via AIFC, providing necessary registration, authorisation and post-registration participant support, as well as connecting the AIFC participants with the key market players within and outside the AIFC jurisdiction.

Also, ABC contributes to attracting international capital to the key sectors of the economy of Kazakhstan and the countries in Central Asia by engaging with the international investor community, matching investors with projects that suit their investment profile.

KEY DEVELOPMENTS

SUPPORTING COMPANIES WITH INCORPORATION AND AUTHORISATION

ABC is responsible for guiding prospects and participants on all matters related to registration and authorisation in the AIFC. ABC provides comprehensive support for prospective participants on establishing presence in the AIFC, choosing organisational-legal forms and reviewing the applications and endorsement through Digital AIFC portal. Out of 550 new company registrations in 2021, ABC has provided end-to-end support to nearly half of the companies.

The authorisation support division addresses the needs of companies intending to carry out Regulated, Ancillary or Market activities in or from the AIFC, including guidance and informational support on applicable rules and regulations aimed to ensure compliance with jurisdictional requirements.

ABC actively supported the incorporation and authorisation processes of ancillary service providers, including KPMG, Deloitte, Baker Tilly, Linkage & Mind.

POST-REGISTRATION SUPPORT

ABC assists existing AIFC Participants on all matters related to their activities within the AIFC: establishment and maintenance of relationships with the AIFC Bodies and their organisations, communications with third parties, providing guidance on obligatory post-registration procedures. This includes high-demand procedures related to company's activities such as transfer of shares, change of CEO/directors, change of address, alteration of share capital etc.

In addition, ABC provides support on filing annual accounts processes, regulatory and statutory inquiries. The inquiries include matters related to tax regime, employment regulations, allotment of shares procedures, digital issues, state databases and ASP marketplace.

269 companies

received registration support from ABC in 2021

10 companies

received authorisation support from ABC

6 ancillary service providers

received support from ABC

470

applications for post-registration procedures received post-registration support

> 1,000

participant inquiries received and processed

100

investment projects for aggregate investment volume of USD 5 bn in the pipeline

PROVIDING STRUCTURING AND TRANSACTION SUPPORT FOR VARIOUS PROJECTS

ABC provides an array of support services to various major project stakeholders, both public and private, ranging from legal structuring and advice during redomiciliation of entities to the AIFC, their reorganisation via schemes of arrangement and other corporate processes, to tax consultations and advice on complex regulatory issues encountered by prospective and current AIFC Participants.

ABC served at the forefront of a number of landmark projects, the implementation of which carried strategic importance for the development of the AIFC and the country as a whole.

In 2021, ABC supported **Kazatomprom** and Genchi Global in the establishment of a **uranium fund in the AIFC**, the first such project in the CIS, and only the third worldwide. The purpose of the fund is investment in and storage of physical uranium, with initial investment contributions made by the fund's incorporators in the amount of USD 50 mln. The fund is expected to subsequently attract investments in the amount of up to USD 500 mln from institutional and private investors. The uranium fund will comprise the experience of Kazatomprom and the investment expertise of the National Investment Corporation, subsidiary of the National Bank of Kazakhstan, which, with the array of versatile investment instruments available in the AIFC, will ensure investor access to all opportunities in the uranium and nuclear industries.

In addition, ABC has successfully assisted Chevron Munaigas Inc. with structuring their **Local Content Development Company**, subsequently established in the AIFC. Sturgeon Capital, a prominent UK investment company, was appointed as the company's manager. The Local Content Development Company intends to invest in projects promoting the development of Kazakh local content opportunities in the sphere of production of goods and services for the oil and gas industry. This will include provision of services, production of base goods, assembling certain types of equipment for the oil and gas industry, environmental projects and digital and information technologies. It is planned that around USD 250 mln will be allocated by Chevron for the achievement of the above mentioned objectives.

ABC has also served as the main AIFC liaison for the promotion of Kazakhstan and AIFC as the jurisdiction of choice for the intended establishment by the Organisation of Turkic States of the headquarters of the **Turkic Investment Fund**. Official meetings and conferences of the Secretariat General were attended, with the aim of informing the

Member States of the advantages of the AIFC's investment fund regulation and its suitability for the planned initiative. The Turkic Investment Fund is expected to attract approximately USD 200 mln worth of investment.

ABC is also actively engaged in supporting the Ministry of National Economy's project aimed at **redomiciling** certain prominent quasi-public enterprises from foreign jurisdiction to the AIFC (pursuant to the corresponding instruction of the President of the Republic of Kazakhstan).

In 2022, the AIFC will support the quasi-public sector with the redomiciliation process itself. It is expected that a minimum of five foreign subsidiaries of the country's largest quasi-public enterprises will redomicile to the AIFC in 2022-2025. Moreover, ABC is actively involved in the legislative process related to the amendment of the national laws regulating state property, to enable the quasi-public sector companies to participate in organisations created in accordance with the AIFC law.

3.6 ISLAMIC FINANCE

The creation of favourable conditions for the functioning and development of Islamic finance is one of the main directions for the development of the AIFC. The AIFC has the key requirements to not only establish a thriving local Islamic finance market, but also position itself as a **regional hub for Islamic finance** in Central Asia and the CIS region.

The AIFC has set in place the requisite soft and hard infrastructure as well as a competitive environment to function and operate as a regional Islamic financial centre. The AIFC's current Islamic finance framework allows for relevant entities to conduct a diverse range of Islamic finance business such as Islamic banking, Islamic window, Islamic financing, Islamic fund management, Islamic insurance, issuance and offer of securities including shares and Sukuk. This is facilitated by a taxation regime to support Islamic finance business and transactions.

Moreover, recently adopted Rules on Currency Regulation and Provision of Information on Currency Transactions in the AIFC allows Islamic banks, Takaful companies and companies managing a restricted profit-sharing investment account based on Islamic financial contract to provide financial services to residents of Kazakhstan (individual and corporate) in any currency.

The Islamic Finance Master plan that has been prepared by the Islamic Development Bank Consultant outlines the strategies and recommendations, key structural challenges, linkages, and growth opportunities to foster a more diverse and innovative financial environment for the growth of Kazakhstan. To implement recommendations of the Master plan, the AIFC Islamic Finance and Business Hub carried out different initiatives aimed at the development of Islamic finance services in the AIFC.

KEY RESULTS

According to the Islamic Finance Development Indicator ICD-Refinitiv 2021, the overall score of Kazakhstan (17.55) is higher than the world average (11.01), and in general, according to the assessment, Kazakhstan is the leader in the region in terms of the development of the Islamic finance industry.

One of the key initiatives is to facilitate and support the attraction of new AIFC participants engaged in providing Islamic finance services. In 2021, licences were obtained by local Islamic financial institutions Al Saqr Islamic Bank and Kazakhstan Islamic Finance Company. With the support of the AIFC Islamic Finance and Business Hub fintech companies developed Islamic financial contracts and products within the framework of the Fintech Lab.

The Master plan provided the necessary impetus for further **human capital development**. The development of the human element plays a vital role not just to develop Islamic finance in Kazakhstan, but to look outwards on how Kazakhstan's capabilities may be exported and benefit global developmental initiatives in the future. Therefore, in 2021, one of the main focuses was to increase financial awareness and create a pool of experts in the field of Islamic finance.

Together with local and international partners, the AIFC has organised events, seminars and workshops on Islamic finance to raise awareness and highlight the importance of industry development and its benefits.

The AIFC carried out work on the implementation of the grant of the Asian Development Bank (ADB) "**Islamic Finance for Inclusive Growth – Capacity Building**" aimed at increasing literacy and awareness of Islamic finance and developing the potential of Islamic finance in the Republic of Kazakhstan. The capacity development programme consisted of a training course on Islamic finance for state and quasi-public bodies, the financial market, the Spiritual Administration of Muslims of Kazakhstan and the AIFC; online simplified capacity building and awareness workshops for SMEs; and executive-level experience-sharing webinars in the form of interviews with leading experts in the field of Islamic finance and influential thinkers from around the world.

Considering the interest in the issue of Islamic securities (Sukuk) under the technical assistance of the Islamic Development Bank, the AIFC Islamic Finance and Business Hub organised a training programme for potential issuers of Sukuk and the financial market of Kazakhstan and the CIS. Besides that, the Islamic Development Bank Consultant prepared an AIFC Islamic Finance Qualification Programme for the AIFC and state authorities, to equip participants with the required Islamic finance knowledge and necessary skills.

The **development of the halal sector** is one of the strategic initiatives of the Master Plan. The development of the halal ecosystem will help accelerate the development of Islamic finance in Kazakhstan through Islamic finance and investment instruments. The AIFC closely cooperates with

the **Halal Trade and Marketing Centre (HTMC, UAE)** on development of halal business opportunities for Kazakhstan. Moreover, within the framework of the Kazakhstan Trade and Investment Forum in Dubai in December 2021, a Memorandum of Understanding was signed with the Department of Economics and Tourism of the Government of Dubai, which is aimed at providing cooperation and support in the areas of Islamic finance, Halal industry and other areas related to Islamic economy.

Kazakhstan was ranked

No.17

in the Islamic Finance Country Index of the Global Islamic Finance Report 2021.

Kazakhstan was ranked

No.27

in the Global Islamic FinTech Ranking of the Global Islamic FinTech Report 2021.

Kazakhstan is

No.1

in the region in terms of the development of the Islamic finance industry.

3.7 SUPPORTING SERVICES

AIFC Expat Centre (AEC) is a specialised multifunctional centre, designed to create and foster a favourable environment for foreign nationals to reside and do business in Kazakhstan, and to facilitate their comprehensive integration into local society. AEC provides foreign investors and experts with access to a variety of government and social-oriented soft-landing services on a "one-stop shop" basis.

The AEC brings under one umbrella a wide range among the following services:

More than 500 government services related to:

- Visa and migration issues;
- Registration as a taxpayer;
- Obtaining individual identification number (IIN) and electronic digital signature (EDS);
- Vehicle registration, driver's licence, vehicle number plates.

Ancillary services assisting in:

- Finding accommodation;
- Medical services;
- Educational institutions;
- Relocation services.

The AEC specialised services:

- Personal Manager;
- Team Assistant

KEY DEVELOPMENTS

Since its establishment, the AEC has provided more than 15,000 services, with about 5,000 services being delivered in 2021. AEC provides customer support across its digital channel - Self Service Portal (SSP) with online consultation, reservation system for offline appointments and remote access to a number of government services. Appointment scheduling and personal manager services are also available at AFINA app of AIFC ecosystem for the participants.

+5,000

services provided by the AEC totally

+875

visas were issued to business partners in 2021

+605

visas were issued to foreign workers in 2021

PERSONAL MANAGER AND TEAM ASSISTANT SERVICES:

In 2021, AEC launched a Personal Manager service providing assistance to clients in the process of obtaining required government and soft-landing services on migration and other related issues. The service is provided on a turnkey basis to save time and minimise client's involvement in the process. The Personal Manager arranges completion of the required documents for registration, obtaining a Kazakhstan visa, IIN, EDS and other government and soft-landing services.

The new Team Assistant service has been developed for corporate clients who are looking for professional expertise and assistance in business processes associated with foreign employees. The service provides full HR supervision on entry and stay as well as visa and migration issues for corporate clients. The service includes preparation of all required forms, applications and documents, as well as keeping necessary migration records.



4. AIFC DEVELOPMENT STRATEGY UNTIL 2025



AIFC Vision is to become the leading international financial centre in the region of Central Asia, the Caucasus, EAEU, Western China, Mongolia, and Eastern Europe.

AIFC Mission is to contribute to the sustainable development of Kazakhstan and the region by offering corporations and the business community new opportunities for attracting investment, creating meaningful and effective projects in the industrial and services sector, and creating new markets for goods and services.

The basis for the establishment of the AIFC was the Constitutional Statute of the Republic of Kazakhstan "On the Astana International Financial Centre".

Over the years, the AIFC has been successful in launching modern exchange infrastructure, establishing internationally trusted legal and regulatory regime, advancing the rule of law and attracting domestic and foreign institutions. This progress has provided a reliable basis for the implementation

of the next stage of AIFC development, namely the establishment of the AIFC as a regional financial centre with access to international markets, positioning it as an investment hub.

In 2020, the AIFC Management Council, chaired by President Tokayev, adopted a new **Development Strategy of the AIFC until 2025**, which identified the centre's role as a truly regional financial centre and investment hub.

Adoption of business strategy in 2020 was an important step in the AIFC's ongoing progression and reaffirms AIFC's potential to play an important role in providing the highest value of services. Following the main objectives of the AIFC set at the Constitutional Statute, and the main KPIs of the Strategy, the following progress has been observed.



Dr. Jacob Frenkel, Chairman of the Board of Trustees, Group of Thirty (G30), Former Chairman of J.P. Morgan Chase International:

"Kazakhstan has a wide range of institutions, such as the National Bank of Kazakhstan, the Agency for Regulation and Development of Financial Market, AIFC and other national development institutions. This flexibility allows to choose the right gears to attract capital and turn savings into investment in real economy. AIFC is an international institution, and I would urge everyone to use its opportunities to - first and foremost - strengthen the local markets. Only solid and integrated Kazakh market will help achieve the aim of becoming truly regional investment and financial platform and improve and strengthen Kazakhstan's image on the global scene."



IMPLEMENTING THE STRATEGY: PROGRESS MADE IN 2021

	Strategic objective	Success criteria	Progress in 2021
INVESTMENT HUB drive investments USD 10 bn	Attracting investment into the economy of the Republic of Kazakhstan by creating an attractive environment for investment in the financial services sphere	<ul style="list-style-type: none"> Assist in attracting USD 10 bn of investments by 2025 Enter into top-50 in the GFCI Business environment component by 2025 	<ul style="list-style-type: none"> AIFC attracted USD 6.2 bn investments via its platform (+ USD 4 bn in 2021). Creation of Task Force unit (investment arm of the Government). 67th place in the GFCI'30 on Business environment component. <p>60% of target achieved 100%</p>
REGIONAL FINANCIAL CENTRE support financial intermediation	Developing a securities market in the Republic of Kazakhstan and integrating it with international capital markets	<ul style="list-style-type: none"> Increase weighting of Kazakhstan on MSCI Frontier Market Index to 5% by 2025 Obtain status of MSCI emerging markets by 2030 	<ul style="list-style-type: none"> Kazakhstan has reached 6.8% weighting in MSCI Frontier Market Index at the end of 2021. The work on Kazakhstan's transition to emerging markets status in MSCI and FTSE Indices by 2030 is ongoing in frames of the special Steering Committee and Working Group chaired by the Agency for Regulation and Development of the Financial Market of Kazakhstan. AIX is continuing the development of the capital market, including regional equity, Belt and Road market, mining segments, green finance, Islamic finance, and retail investor market.
	Developing insurance markets, banking services, Islamic finance, financial technologies, e-commerce and innovative projects in the Republic of Kazakhstan	<ul style="list-style-type: none"> Register 2,000 companies by 2025 	<ul style="list-style-type: none"> AIFC has registered 1,173 companies (+550 companies in 2021). AIFC, the National Bank of Kazakhstan and the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market, have approved the Rules on Currency Regulation and Provision of Information on Currency Transactions in the AIFC. <p>60% of target achieved 100%</p>
	Developing financial and professional services based on international best practice	<ul style="list-style-type: none"> Register 600 financial and professional services companies by 2025 	<ul style="list-style-type: none"> AIFC has registered 230 financial and professional services companies (+24 companies in 2021). <p>40% of target achieved 100%</p>
GLOBAL POSITIONING OF AIFC GFCI / WAIFC	Achieving international recognition as a financial centre	<ul style="list-style-type: none"> Achieve and maintain top-40 in the GFCI rating by 2030 Enter into top-30 in the GFCI rating by 2050 	<ul style="list-style-type: none"> Nur-Sultan occupies 75th place out of 116 worldwide and 5th place out of 16 amongst Eastern European and Central Asian centres in accordance with GFCI'30 (September 2021). The AIFC is an active member of the World Alliance of International Financial Centers (WAIFC), representing 20 leading international financial centres from around the world. WAIFC facilitates cooperation between financial centres, the exchange of best practices, and communication with the general public.

4.1 AIFC AS AN INVESTMENT HUB

The AIFC is actively integrated into the Government's investment architecture, employing its potential to attract foreign direct investments to the national economy. Major deals made by the Government and quasi-public entities are structured through the AIFC to ensure transparency and shareholders' rights protection, as well as to develop Nur-Sultan as the investment hub of the region. Over the past year, AIFC has collaborated effectively with the primary national investment agents. As part of the new investment architecture, AIFC became a member of the **Investment Council**, chaired by the Prime Minister of the Republic of Kazakhstan (the Investment Staff). This is designed to provide end-to-end support for new projects, coordination throughout the process of implementing investment projects, and **Task Force**, the country's front office of investment negotiators (housed by Kazakh Invest). The Task Force is currently working on 70+ potential investment projects to the total of USD 13 bn. The AIFC also became a part of the Ministry of Foreign Affairs three-tier national investment attraction architecture and supported the Ministry's Country Investment Programme for 2020-2022, aimed at promoting the centre on foreign sites and attracting new investment projects.

With a view to servicing the incoming investments and investors, the AIFC has established a special investment project management office – **Investment**

Communications Unit (ICU). During 2021, ICU has worked on a broad scope of investment initiatives, from national pipeline of investment projects to Belt and Road Investment Club activities, Investment Brokers' Initiative, and unified National Investment Platform.

An ever-deepening AIFC integration into the national investment ecosystem and the profound use of the investment tools that the AIFC has to offer, will most certainly result in establishing a more attractive investment climate for Kazakhstan and its transition into the regional investment hub.

The overriding strategic objective of the hub is to encourage and boost investment into the Kazakh economy by creating an attractive investment environment in the financial services sphere. By 2025, the AIFC is aiming to attract around **USD 10 bn in investment** and to enter the **top-50** in the **GFCI Business environment component**.

Since the establishment of AIFC, the volume of investments attracted to Kazakhstan via the AIFC platform has grown steadily. By the end of 2021, the figure has reached USD 6.2 bn.

Since the launch of official trading on the exchange in 2018, the AIX issuers raised over **USD 321 mln of equity capital and USD 1.55 bn of debt capital** by the end of 2021. The trading turnover in 2021 increased fivefold compared to 2020 and reached almost **USD 300 mln**. Even though more than half of this time was at the height of the pandemic and the crisis in the global stock markets, the AIX managed to achieve impressive success.

The amount of investments to various sectors of Kazakh economy such as financial technology, construction, agriculture and manufacturing, banking and financial services has reached USD 4.3 bn (in 2021 – USD 3.4 bn).

As part of the Belt and Road Initiative cooperation, the world's largest Chinese banks, the Construction Bank and the Development Bank, are now based in AIFC. By the end of 2021, the banks financed several investment projects in the field of mining, oil and gas worth **USD 2.7 bn**.

KEY PROJECTS CONTRIBUTING TO THE AIFC DEVELOPMENT AS AN INVESTMENT HUB

Raising awareness of investment opportunities

Developing a national investment platform (NIP)

In 2021, the project to create unified investment platform was included in the list of activities of the National Project "Technological breakthrough through digitalisation, science and innovation". The project office for the implementation of NIP is based at the AIFC.

The NIP project office analysed the business requirements, prepared the technical requirements of the NIP, and developed a working prototype of the NIP with the implementation of the main dashboards for a range of strategic projects.

Currently, the AIFC, in cooperation with international experts from the Asian Development Bank (under the grant of the ADB), is conducting an analytical study to create a platform with the integration of all participants in the investment attraction system (government bodies, quasi-public sector, investors, financial institutions, and other key stakeholders), including detailing the concept of the platform, terms of reference and the Budget Investment Proposal for the NIP.

As part of the first phase of the study, meetings with key stakeholders were held and analysis of implementation of investment projects in Kazakhstan and functionality of local platforms for implementation of investment projects was conducted. Analysis of international experience in the development, implementation and management of digital investment platforms is being conducted.

The preparation of the interim and final reports with the results of the analysis of the current situation and international experience is scheduled for completion in 2022.

Assurance for investors

Strategic Investment Agreements: structuring deals in the AIFC

Starting from January 2021, investors registered in AIFC are able to directly conclude a strategic investment agreement with the government in AIFC jurisdiction that provides investors with incentives, preliminarily negotiated with the Government.

The AIFC Task Force team deals with the above mentioned agreements, which provides for the implementation of major projects with an investment of at least USD 51 mln in strategically important sectors.

In 2021, the Government concluded such an agreement with Valmont Industries (USA) in AIFC jurisdiction, providing an investment guarantee for foreign investors.

Increasing investment attractiveness

AIFC Investment Tax Residency Programme (ITRP)

AIFC has successfully implemented all initiatives required for the smooth and successful launch of the ITRP, including enacting all relevant amendments to Kazakh immigration and tax legislation, and developing and approving the draft AIFC Act "On the Investment Tax Residency Programme".

Upon the enactment of the Act, investment residents will be able to obtain an investor visa for up to 5 years for himself/herself and their family in exchange for making eligible investments. The investment resident will also be able to receive a Kazakhstan tax residence status under a simplified procedure and exempt foreign-sourced income from taxation.

AIFC AS A REGIONAL FINANCIAL CENTRE

As the AIFC's expertise in financial services grows, the next natural step in the centre's evolution is to establish itself as a key platform for financial intermediation and business development in the region. The centre will strengthen links with other financial institutions and key global companies, while expanding the range of products and services it offers.

Today, Nur-Sultan and the AIFC premises offer an ideal location to develop successful business ventures, realise investment opportunities, and provide the most secure licensing and regulatory environment.

As of the end of 2021, the AIFC has incorporated 1,173 companies from more than 60 countries spanning from fintech start-ups to global banks and insurance companies.

A twofold increase from its 2020 results is a strong testament to the favourable environment that has been built for business growth and prosperity.

Amongst the 550 new AIFC participants registered in 2021, there are notable companies such as Deloitte, KPMG Audit, BDO Qazaqstan, Al Saqr Islamic Bank, Plug and Play, MOST Ventures Fund and Sturgeon Capital.

With its digitised services, same day registration process, simplified authorisation procedures for certain types of activities, digitalised recognition process and authorisation of FinTech firms, AIFC continues adopting new practices and technologies to better support its participants and raise their competitiveness in the region.

FINANCIAL PRODUCTS LANDSCAPE

		Traditional / Conventional	Islamic Finance	Green / Sustainable	Tech / Digital
Securities and Capital Market	Ancillary services (legal, accounting, auditing, credit rating agencies, consulting/advisory, Corporate Service Providers, e-Commerce)	Equities (shares and GDRs)	Sukuk (corporate, sovereign)	Green, social and sustainability bonds	Services: <ul style="list-style-type: none"> • Anonymous Automated Trading • Real-time Market Data • Book-building service Repo • Securities lending service • Market Making Multi-currency trading & settlement • Enhanced Settlement Service • Conversion: GDRs <-> shares • Registry-keeping • Depository Services • Registration of pledges
		Bonds (corporate, sovereign)		Green and social loans	
		ETFs/ETNs		Sustainability-linked bonds	
		IPO/SPO, Pre-IPO, Debt (public and private), cross-listings, direct listings			
		Dedicated Segments: Regional Equity Market Segment (REMS) Junior Mining Belt & Road Market			
Insurance		Insurance / Reinsurance	Takaful / Retakaful		
		Captive Insurance	Takaful operator		
		Insurance intermediaries	Intermediaries		
		Underwriting / guarantees / warranties / actuarial services			
Corporate Banking / Private Banking / Wealth Management		<ul style="list-style-type: none"> • Corporate banking – Conventional/Islamic • Private banking (incl. family offices) • Deposits, Credit facilities/Providing Islamic finance, Commercial/Syndicated loans, ECA backed loans • Corporate finance, Discretionary/Advisory Mandates, Advisory, arranging deals and custody, M&A • Trade finance (incl. line of credit, guarantees, working capital, supply chain finance solutions) • FICC – Fixed Income, currencies and commodities 			<ul style="list-style-type: none"> • Remittances / money exchange • Robo-advisory • Digital (mobile) banking • Payments and e-Money
		<ul style="list-style-type: none"> • Funds (incl. REITs, hedge funds), Private equity • Collective investment scheme (fund administration, dealing as an agent/Principal) • Foundation, Trust, Asset Management Company (AMC) • Managing investments (Restricted PSiAs, real estate) 			
Asset Management					
Alternative Financing / Innovation		<ul style="list-style-type: none"> • Infrastructure financing through SPCs • Structured products, Securitisation • Asset-based financing (inventory finance, leasing/renting, real estate, aircraft, leasing) 		GreenTech Carbon Trading	RegTech LegalTech Crowdfunding VC deals: Convertible note, SAFE, KISS Private placement (ICO)
		Ancillary services (legal, accounting, auditing, credit rating agencies, consulting/advisory, Corporate Service Providers, e-Commerce)			

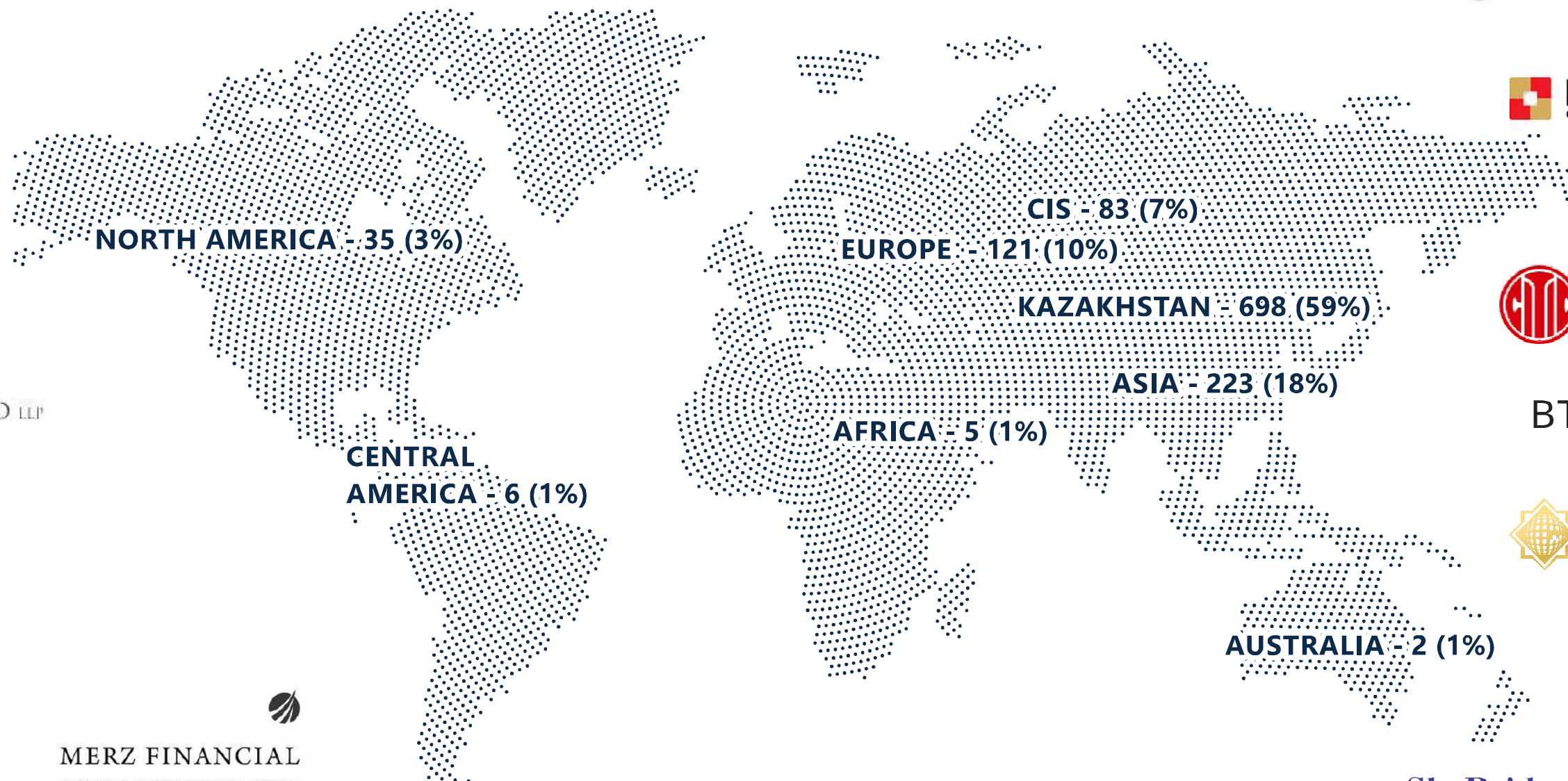
AIFC PARTICIPANTS MAP



KINSTELLAR



BTS·Digital



KEY PROJECTS CONTRIBUTING TO AIFC'S DEVELOPMENT AS A REGIONAL FINANCIAL CENTRE

Development of capital market

Integration with global capital markets

Following the goal of further development and integration of Kazakhstan's capital market with global market, AIFC aims to become the best access point in the region for foreign investors.

This will be achieved by expanding partnerships with international market players and service providers, attracting international custodian banks as depositaries, ensuring the involvement of foreign investors in equity offerings and attracting and maintaining market liquidity.

Kazakhstan's key goal in the medium to long term is to obtain MSCI and FTSE Emerging Market status, for further enhancing the size, liquidity, and market accessibility of the Kazakh capital market for international investors.

Retail investor base development

The Tabys project is aimed at developing the retail investor base and boosting liquidity by engaging more local investors through the investment mobile application. The AIX has created its own product, exchange-traded notes (ETN), which allows Kazakh investors to diversify their investments at minimal costs via Tabys, by investing in global market indexes (ETFs managed by BlackRock, Vanguard and US Commodity Funds).

In July 2021, AIX launched AIX Qazaq Index (AIXQI), a market-capitalisation weighted index that measures the performance of the shares of Kazakhstan linked companies. 2 ETNs linked to AIXQI are also available for Tabys investors. AIX is planning to launch additional ETNs. One of the upcoming products to be launched on Tabys is iX Bitcoin ETN, the first exchange-traded instrument linked to cryptocurrency in Central Asia.

Development of asset management and private banking

Asset management and private banking

AIFC provides a full market platform for asset management and private banking to meet the needs of foreign and local investors. Recent improvements in the AIFC regulatory framework have made possible the registration of new types of funds, such as real estate investment funds, private equity and venture capital funds.

For the first time in Central Asia, AIFC introduced the trust concept based on the principles of English law, which allows efficient structuring of private capital, financial management and succession planning. Foundations, often used in continental legal systems as an alternative to trusts, are recognized by AIFC. This ability to use products of a different nature gives investors and their advisers, under both common law and civil law rules, the opportunity to structure their capital in a convenient way.

Development of insurance and reinsurance market

Insurance and reinsurance

In close cooperation with the National Bank of Kazakhstan and the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market, the AIFC has adopted the Rules on Currency Regulation and Provision of Information on Currency Transactions in the AIFC, effective from December 2021. The Rules define conditions and procedures for currency transactions related to the provision of financial and professional services by AIFC participants,

and a list of the financial and professional services provided by AIFC participants to residents of the Republic of Kazakhstan.

According to the list, the AIFC insurance and reinsurance firms may provide some types of voluntary insurance services, new areas of insurance and reinsurance services, such as climate insurance, Islamic, voluntary insurance, insurance against catastrophic risks, terrorism risks, political

Development of new financial instruments

Islamic Finance and Business Hub

In 2021, the Hub focused on the implementation of the Islamic Finance Master Plan, including localisation of the Islamic financial companies, Sukuk issuance, enhancing Islamic finance literacy and raising awareness. Overall, the Hub concentrates on further development of the Islamic finance industry infrastructure and regulatory framework in line with best international practices and worldwide standards.

Green Finance Centre

During the pandemic, the world community focused its attention on financing not only green, but also social projects, which form sustainability investments. The growing interest on the part of global investors in social projects related to the elimination and prevention of the economic and humanitarian consequences of the pandemic, makes the

issue of expanding the role of the AIFC in support of the Sustainable Development Goals, urgent. Sustainable financing can be promoted, for example, by issuing social, sustainability or sustainability-linked bonds.

In parallel with green and social bonds, the green lending market has been rapidly developing in recent years, i.e. the provision of loans for environmentally significant projects - green loans. Given that banking instruments are well studied and known to the domestic market, the development of a green loan market, which is available to a wider range of potential borrowers in the form of small and medium-sized enterprises, will contribute to the development of small-scale green projects.

In 2021, AIFC Green Finance Centre applied a wide range of financing instruments, which includes green and social bonds and green and social loans, and helped to attract investments in the amount of KZT 68 bn (USD 158 mln).

Development of a digital financial centre

Fourth Industrial Revolution

In responding to the rapid development of digitalisation and the impact of the Fourth Industrial Revolution, AIFC is harnessing the power of innovation, supporting both the private and public sectors in exploring, implementing and scaling new technologies. With the launch of the Affiliate Centre of the Fourth Industrial Revolution (4IR) in AIFC offices, with a proactive regulatory framework to support the emergence of new technologies, and Tech Hub with an environment to foster innovation, AIFC continues to develop a vibrant multistakeholder fintech ecosystem and financial centre that is fit for the challenges of the digital age.

e-Residence ecosystem

The project focused on building a digital ecosystem for AIFC participants and interested stakeholders, has successfully

launched its AFINA mobile application that offers access to digital services and products of the AIFC, exclusive offers from AIFC and its partners, and networking opportunities. The current number of registered users within the e-Residence portal has reached 1,700, with more than 1,000 services provided to AIFC clients online.

The range of services available to AIFC participants of e-Residence is continuously expanding with services such as application for Individual Identification Number and Digital Signature abroad in Kazakhstan embassies without being physically present in Kazakhstan. The e-Residence platform will also provide the opportunity to open a bank account online for AIFC participants from the beginning of 2022.

Redomiciliation opportunities

Redomiciliation

AIFC is actively engaged in supporting the Government on the transfer of certain subsidiaries of Kazakhstani national companies from foreign jurisdictions to the AIFC. Providing independent AIFC jurisdiction and high standards of regulation, the AIFC offers redomiciliation services for companies willing to transfer their residence by: maintaining their legal status, organisational and legal form, corporate structure, liabilities, assets, bank accounts, licences for regulated activities. The process also allows taxes to be optimized. Companies can maintain their portfolio, credit ratings, rights, and obligations towards counterparties. There is a successful precedent of redomiciliation to the AIFC of the KazMunayGaz subsidiary, Kazakhstan Energy Reinsurance Company (KERC) from the jurisdiction of Bermuda.

According to the AIFC law, any company from a jurisdiction that allows redomiciling may use this opportunity. Nevertheless, in cases when the current legislation of a company's country of origin does not allow direct transfer of incorporation, alternative mechanisms can be offered.

In 2022, the AIFC will proceed to supporting the quasi-public sector with the redomiciliation process itself. It is expected that a minimum of five foreign subsidiaries of the country's largest quasi-public enterprises will redomicile to the AIFC in 2022-2025. Moreover, AIFC is actively involved in the legislative process related to the amendment of the national laws regulating state property, to enable the quasi-public sector companies to participate in organisations created in accordance with the AIFC law.

Development of legal services market

AIFC Legal Services Regulatory Regime

The establishment of the regulatory regime on legal services is determined as one of the strategic goals for further development of the AIFC jurisdiction under the AIFC Development Strategy until 2025.

The future regulatory regime will introduce standards of legal services, quality control, Code of Ethics and standards of legal education and training, for the conduct of legal services providers and legal advisers and counsels employed by legal services providers operating within the AIFC.

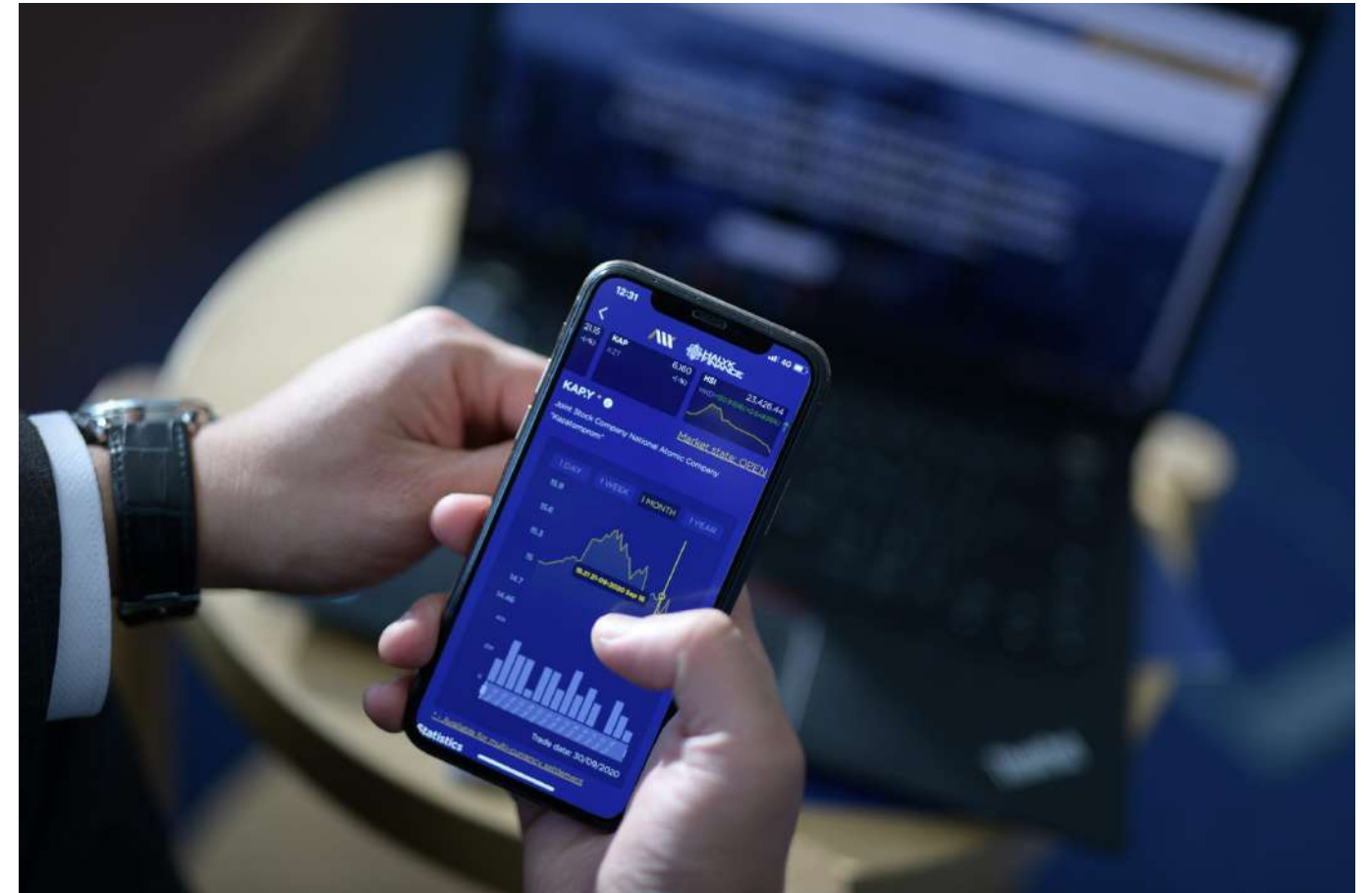
The regime will provide for the establishment of the AIFC Legal Services Board as a designated body for regulation and registration of legal advisers. Thereby, the regulatory mechanisms under the future regime will endeavour to ensure high, professional standards of competence, skill and integrity in the delivery of legal services.

Overall, it is expected that the proposed regulatory regime will enhance understanding of, and expertise in the acting law of the AIFC, thereby attracting more international participants, promoting the AIFC's success as the leading financial hub in the international arena.

AIFC Law Pro Bono Office

The AIFC Law Pro Bono Office offers a unique platform to provide access to legal consultations for legal issues that arise within the AIFC jurisdiction. AIFC Law Pro Bono Office allows individuals and company representatives who cannot afford a lawyer the ability to seek free advice and consultation from volunteer lawyers free of charge. As of today, 70 pro bono sessions have been held, and 148 clients were advised free of charge.

It is believed that the AIFC Law Pro Bono Office could add even greater value towards facilitating access to justice and free legal aid. In this regard, maximising the potential of the AIFC Law Pro Bono Office will be conducted in 2022.



5. GROWTH ENABLERS



Driven by its goals as a local investment hub and financial centre, AIFC, through its strong commitments to global best practices and financial expertise, is advancing its reputation to be the best place in the region to be established. With more than 1,100 companies operating in the jurisdiction now, AIFC recognises that there are many more milestones to achieve. To move forward, AIFC puts a special emphasis on being guided not only by previous experiences or by current achievements, but above all, by those trends that will determine the course of future events.

The future of the global economy is being reshaped by forces of change, particularly, with decarbonisation, digitalisation, the role of human capital and regional integration trends. To gain its competitive advantage, AIFC will leverage these drivers of change into growth enablers, resulting in an enhanced position as a financial hub.

GREEN GROWTH AND SUSTAINABLE DEVELOPMENT

The **AIFC Green Finance Centre (GFC)** was created to enable the development of green finance in Kazakhstan and Central Asia. The main goal is to bring investments for a sustainable economy through trending financial instruments, such as green and social bonds and loans. In addition to that, GFC provides strategic and business consulting in green finance and sustainable development to Governments, quasi-public organisations and private companies. GFC aids potential issuers/borrowers, investors and market players on raising sustainable finance, including bond issuance on Kazakhstan's capital markets.

In recognition of environmental and climate change risks and the growing importance of sustainable finance, AIFC will continue its work on implementation of its **strategy of ensuring regional leadership of the AIFC in the sphere of green finance until 2025**. In support of Kazakhstan's transition to green growth, GFC moved forward in 2021 by

introducing relevant sustainable finance initiatives including the AIFC Statement of Commitment to Sustainable Finance Principles, ESG reporting framework for AIX-listed companies and launch of the Green Investment Principles Regional Chapter.



Julie Monaco, Managing Director, Global Head, Public Sector Banking, Capital Markets and Advisory Division, Citi:

"Alongside the Government, the Astana International Financial Centre has been instrumental in developing the green framework in the national financial environment under its multi-faceted role of a coordinator, regulator and policy designer. Adherence to the ICMA Green Bonds Principles and self-developed AIX Green Bond Rules are well in line with what we have been seeing on major international capital markets and set future green transactions for success."



KEY HIGHLIGHTS

\$158 mln

(KZT 68 bn) in investments raised through GFC in the form of green and social bonds and green loans.

The largest issue of green bonds by national company Samruk-Energy on AIX in the amount of

\$43 mln

(KZT 18.4 bn).

Verification of the green loan of Halyk Bank for Kaz Green Energy in the amount of KZT

₸7,9 bn

Nur-Sultan, represented by the AIFC, featuring twice as **Nº1** for Central Asia and Eastern Europe in the Global Green Finance Index (GGFI).

GFC is the only company in Central Asia recognised by the International Capital Market Association as an external review provider for sustainable financial instruments.

The Government approved AIFC proposals for the new Environmental Code, the Green Taxonomy and amendments to the "Business Roadmap-2025" Programme regarding subsidisation of green loan interest rates and green bond coupons.

A project supported by UNEP FI to develop an **ESG reporting** framework for AIFC completed.

From May 2021, GFC is the **Regional Chapter of the Green Investment Principles for Belt and Road in Central Asia**.

GREEN FINANCE INSTRUMENTS

With its goal of enabling the development of green finance in Kazakhstan and Central Asia, GFC continues its mission of promoting green investment principles amongst financial institutions of Central Asia and scaling up sustainable finance in the region. Applying a wide range of financing instruments, which includes green and social bonds and green and social loans, GFC assisted in attracting **USD 158 mln (KZT 68 bn)** investments in social and energy efficiency projects in 2021. The total sustainable finance market in Kazakhstan surpassed **USD 250 mln (KZT 110 bn)** with support of the GFC.

Recognised as a "green market pioneer" at the 6th annual Climate Bonds Awards, Damu Entrepreneurship Development Fund's debut green bond issuance at AIX in 2020, has been a crucial milestone in mainstreaming the sustainable bond market; GFC's work plan for 2022 includes the introduction of new products for the further promotion of green financing instruments in Kazakhstan.

In 2021, AIFC introduced the definitions of green finance, **green bonds, green loans, green projects, and green taxonomy** in the new Environmental Code of the Republic of Kazakhstan. At the same time, accompanying norms in the Entrepreneurial Code of the Republic of Kazakhstan were approved, specifying measures of economic stimulation of business in the use of green loans and green bonds, in particular, on subsidising credit and coupon rates for the implementation of green projects.

From October 2021, under the State Programme "**Business Roadmap-2025**", financial support measures for businesses using green loans and green bonds were introduced.

In December 2021, the Government adopted the **Taxonomy of Green Projects** to be financed through green bonds and green loans. The next step for GFC is similarly developing a taxonomy of social projects for Kazakhstan and upgrading the current taxonomy of green projects to take account of the latest decarbonisation priorities and energy transition paths for the country.

The same year, the International Capital Markets Association (ICMA) has included GFC in its **External Review Service Mapping**, which contains information on external review providers of green, social and sustainable development bonds. The inclusion of GFC in the ICMA Mapping is a recognition of the compliance of the Centre's methodologies

and approaches, with the ICMA guidelines for independent external review providers and international industry standards.

London Stock Exchange (LSE) is also in the list which recognised GFC to provide external review for bonds traded under the Sustainable Bond Market (SBM) label.



Sungat Yessimkhanov,
Chairman of the Board of Samruk-Energy:

“Worth noting that Kazakhstan, like the whole world, is embarking on the 4th energy transition path to the widespread use of renewable energy sources, which over time will largely supersede fossil fuels – gas, oil, and coal. In this regard, global trends towards transitioning to a “green economy” as well as growing ESG requirements of stakeholders, are challenges for Samruk-Energy. The company outlined directions for transition to a “green” economy in its Development Strategy and is confidently moving towards achieving it. We would like to thank the AIFC Green Finance Centre, Halyk Finance, and Astana International Exchange for their well-coordinated work.”



AIFC STATEMENT OF COMMITMENT TO SUSTAINABLE FINANCE PRINCIPLES

In 2021, AIFC declared its commitment to the principles of sustainable financing by preparing its Statement of Commitment to Sustainable Finance Principles intended to catalyse the progress towards Kazakhstan's sustainability priorities and proactive management of ESG factors. To embed sustainability holistically throughout the financial industry, the AIFC Statement of Commitment to Sustainable Finance Principles, voluntary and aspirational in nature, focuses on the following principles:

- Integration of ESG factors into governance, strategy and risk management;
- Utilising green financial instruments;
- Promotion of appropriate ESG-related reporting and disclosures;
- Enhancing communication and building capacity among all stakeholders to foster an environment for sustainable finance.

ESG REPORTING FRAMEWORK

To promote a smooth transition to higher levels of sustainability, **AIFC Statement of Commitment to Sustainable Finance Principles** proposes the first stage of collaboration to focus on the implementation of ESG reporting for companies listed on the AIX.

Voluntary ESG reporting guidance for AIX-listed companies, including funds or asset managers, issuers of debentures and securities, was developed by GFC under the United Nations Environment Programme.

CENTRAL ASIA CHAPTER OF GREEN INVESTMENT PRINCIPLES FOR THE BELT AND ROAD INITIATIVE


In its further efforts to create a sustainable financial hub in the region, GFC supported the launch of the first regional – **Central Asia Chapter of Green Investment Principles for the Belt and Road (GIP)**, jointly developed by the Green Finance Committee of China Society for Finance and Banking and the City of London Corporation's Green Finance Initiative in 2018. GIP, with expanding membership of 39 signatories and 11 supporters from 14 countries and regions around the world, includes 7 principles, designed to ensure the sustainability of corporate governance, propose specific measures to minimise environmental risks, and encourage the use of green finance instruments.




GIP Regional Chapter in Central Asia, hosted by GFC, works on disseminating GIP related knowledge of products and activities, supporting its stakeholders on the implementation of green, low-carbon and climate-resilience investment, and providing access to international capital markets for regional green projects through the GIP Green Project Database. Within its remit as GIP Central Asia Chapter, GFC has started its work with local financial institutions and regulators of Kyrgyzstan and Uzbekistan and signed a MoU with Union of Banks to work jointly on promoting sustainable finance in Kyrgyzstan.



THE AIFC'S CONTRIBUTION TO ATTAINING UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)


AIFC's mission is aligned with the United Nations' 2030 Agenda for Sustainable Development, contributing to the achievement of the UN Development Goals based on our core competencies. AIFC has prioritised Sustainable Development Goals (SDGs) 4, 5, 7, 8, 9, 11, 13, 16, 17. Integrating the SDGs into our reporting helps to respond more effectively to the sustainable financing needs of our stakeholders. Below is a summary of key initiatives and projects of the AIFC with reference to relevant SDGs.

Sustainable development goals (SDGs)	Relevant targets	Key initiatives and projects
SDG 4 4 QUALITY EDUCATION 	4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	<ul style="list-style-type: none"> AIFC promotes skills and competencies aimed at training professionals prepared to lead in the digital economy through further development and improvement of BCPD-run projects including AIFC-based innovative programming school, QWANT, full-cycle digital educational platforms "Alfarabius" and platform "University of the Future" for professionals to create an educational market to improve competencies in various professional areas. Legal education programmes and support by the AIFC Academy of Law on various legal topics for legal and business professionals, authorised employees of local executive bodies and organisations responsible for attracting investments. BCPD continues offering international professional certifications in the field of continuous professional development to increase human capacity; by the end of 2021, BCPD retrained 8,000 specialists in such certification areas as CFA/Investment foundation, FRM/ERP/Fundamentals of Financial Risk, ACCA, CIMA, CIA, HRCI, PMI, Islamic Finance, CMC and CGI. Continuous delivery of legal internship programmes in the AIFC for young professionals. Sustaining the continuity of the A-PRO project run by BCPD with the aim of providing professional services to the AIFC ecosystem and the external market, as well as creating jobs. In 2021 the AIFC talent pool reached 14,000 candidates, all of whom fully comply with modern trends and market requirements. The online internship programme "BCPD for University Students: Inspiring Leadership" for undergraduates and graduates from all regions of Kazakhstan, which improves their English, investment literacy, as well as analytical, research and leadership skills.


Sustainable development goals (SDGs)	Relevant targets	Key initiatives and projects
		<ul style="list-style-type: none"> In order to boost financial literacy levels and awareness of Islamic finance among the general public, various training lectures are regularly held by the Islamic Finance and Business Hub for representatives of SMEs, the financial market and government bodies of the regions of Kazakhstan, universities in Kazakhstan.
SDG 5 5 GENDER EQUALITY 	5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels	<ul style="list-style-type: none"> AIFC has launched its own initiative W4E (Women's Economic Empowerment, Education and Entrepreneurship) focused on expanding the educational and investment opportunities for women in business. At the initiative of the AIFC, Kazakhstan has become the first country in Eurasia to join the global network of the World Economic Forum's Closing the Gender Gap Accelerator. Under the action plan developed jointly by public and private sector leaders, AIFC as the local coordinator of the accelerator in Kazakhstan is working towards creating better opportunities for women, advancing them to leading positions and increasing their participation in the labour force by reskilling women to be ready for re-employment in high growth sectors.
SDG 7 7 AFFORDABLE AND CLEAN ENERGY 	7.a By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology	<ul style="list-style-type: none"> AIFC's cooperation with the Eurasian Development Bank in terms of providing financing for sustainable projects.
	7.b By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programmes of support	<ul style="list-style-type: none"> AIFC's development of green infrastructure by introduction of economic incentives for green projects and attraction of green investments through local and international capital markets.


Sustainable development goals (SDGs)	Relevant targets	Key initiatives and projects
SDG 8 DECENT WORK AND ECONOMIC GROWTH 	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, SME enterprises, including through access to financial services	<ul style="list-style-type: none"> AIFC contributes to creation of new jobs by attracting investments in new businesses and production. Developing the AIX Regional Equity Market Segment (REMS) to finance SMEs and expand access to financial services.
	8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all	<ul style="list-style-type: none"> Adoption of the Rules on Currency Regulation and Provision of Information on Currency Transactions in the AIFC, effective from December 2021. The Rules define conditions and procedure for currency transactions related to the provision of financial and professional services by AIFC participants and a list of the financial and professional services provided by AIFC participants to residents of the Republic of Kazakhstan, including in the banking and insurance areas, as well as the securities market.


SDG 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	<ul style="list-style-type: none"> AIFC's development of green infrastructure by introduction of economic incentives for green projects and attraction of green investments through local and international capital markets. Development of EAEU Roadmap under a high-level working group on climate: drafting Model Green and Adaptation Projects Taxonomy. Development and adoption of AIFC Statement of Commitment to Sustainable Finance Principles and development of ESG-Reporting Guideline.
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Sustainable development goals (SDGs)	Relevant targets	Key initiatives and projects
SDG 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	9.b Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities	<ul style="list-style-type: none"> Establishing a World Economic Forum Fourth Industrial Revolution Affiliate Centre (4IR) in the AIFC with the scale and ambition to help chart Fourth Industrial Revolution governance. AIFC's support of fintech start-up community in Central Asia and the region. Launch of the VentureRocket Eurasia platform, supporting investment in technological start-ups of Central Asia and the region. Scientific and innovation management contributions from the AIFC Bodies and their organisations to the development of the local expertise.

SDG 11 SUSTAINABLE CITIES AND COMMUNITIES 	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	<ul style="list-style-type: none"> AIFC's support of green and sustainable projects through facilitation of investments.
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SDG 13 CLIMATE ACTION 	13.2 Integrate climate change measures into national policies, strategies and planning	<ul style="list-style-type: none"> AIFC is committed to ensuring that the financial industry contributes to the transformation of the economy in order to achieve the objectives of the Paris Agreement and Kazakhstan's "Net Zero carbon emissions" goal by 2060. Sustainability has become a central component of AIFC Development Strategy until 2025. AIFC's contribution to the establishment of the International Network for Sustainable Financial Centres in 2017, AIX's commitment to Green Investment Principles (GIP) for the Belt and Road Initiative (BRI), and recent launch of the regional office of Green Investment Principles (GIP) for BRI in Central Asia with the support of the Green Finance Centre (GFC) demonstrate AIFC's pledge to uphold sustainability values.
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Sustainable development goals (SDGs)	Relevant targets	Key initiatives and projects
<p>SDG 13 CLIMATE ACTION</p> 	<p>13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>	<ul style="list-style-type: none"> Organising annual Green Growth Forum, seminars and conferences on sustainable development, green finance and climate agenda.
	<p>13.a Implement the commitment undertaken by developed-country parties to the UNFCCC to a goal of mobilising jointly USD 100 bn annually by 2020 from all sources to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation and fully operationalise the Green Climate Fund through its capitalisation</p>	<ul style="list-style-type: none"> GFC kick-started the sustainable finance market in Kazakhstan, which amounted to over USD 250 mln in 2021. GFC applied to the Green Climate Fund to deliver sustainable finance component under the Readiness project for financial regulators and second-tier banks in Kazakhstan.

<p>SDG 16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> 	<p>16.3 Promote the rule of law at national and international levels and ensure equal access to justice for all</p>	<ul style="list-style-type: none"> Providing the world class dispute resolution services at the cutting edge of international standard dispute resolution by the AIFC Court and IAC. Maintaining the AIFC Law Pro Bono Office for provision of discrete one-off pro bono assistance from issues that arise of AIFC Jurisdiction.
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Sustainable development goals (SDGs)	Relevant targets	Key initiatives and projects
<p>SDG 16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> 	<p>16.5 Substantially reduce corruption and bribery in all their forms</p>	<ul style="list-style-type: none"> Strict compliance of the AIFC bodies and their organisations with the AIFC Ethics Code and internal policies related to anti-corruption.
	<p>16.6 Develop effective, accountable and transparent institutions at all levels</p>	<ul style="list-style-type: none"> The AIFC has developed its Ethics Code in consultation with the London-based Institute for Business Ethics, and principles for corporate governance for AIFC Bodies in consultation with international corporate governance experts and TheCityUK.

<p>SDG 17 PARTNERSHIPS FOR THE GOALS</p> 	<p>17.16 Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries</p>	<ul style="list-style-type: none"> AIFC's interaction with professional community of legislative and executive authorities, civil society institutions, local communities, and business communities to build the capacity, and promote green growth and sustainable development. Cooperation with international partners (KPMG, VISA, the Climate Bonds Initiative, the Beijing Institute of Finance and Sustainability, the International Network of Financial Centres for Sustainability, the United Nations Environment Programme) in order to share experience and for the AIFC to comply with best sustainable development practices and principles. Development of EAEU Roadmap under a high-level working group on climate: drafting Model Green and Adaptation Projects Taxonomy. GFC is a Regional Chapter of the BRI Green Investment Principles to support financial institutions of Central Asia, delivering capacity building events, assisting the development of green projects database, and scaling up sustainable finance in the region.
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5.2 REGIONAL INTEGRATION

In the last few years, the region has been developing rapidly with integration processes shaped by the strengthening of economic cooperation, large-scale cross-country projects within the framework of the Belt and Road Initiative, and other initiatives at regional level that have led to increased infrastructure connectivity and positive economic trends despite pandemic disruptions. Emergence of cross-country partnerships and their long-term agreements have highlighted that regional integration requires development in terms of production cooperation and the creation of value added chains. This requires forming a fully-fledged system of financing investments in the region. That is exactly where

KEY DEVELOPMENT AREAS IN THE REGION

Regional Centre for Direct Investment with high-quality pool of diversified investment projects of the countries of the region

Regional Centre for Dispute Resolution with common law court system and commercial dispute resolution systems

Regional Centre for Financing Sustainable Development, aimed at improving the efficiency of the use of natural resources, energy efficiency and mitigating the effects of climate change

Regional Centre for Technology and Innovation Development with improved mechanisms, policies, procedures and principles of regulation of innovation and digital transformation.

Regional Centre of Competence resulting in the development of human capital, education, science, and attracting highly qualified personnel from the region

AIFC can become the most suitable platform for structuring transactions involving companies from the region and any countries of the world that have interests in it.

In 2021, a number of intergovernmental events were held, with some countries in the region expressing interest in cooperation with and opportunities offered by the AIFC, including on-site high-level meetings with the Republic of Kyrgyzstan, Belarus, regions of Russia: Tatarstan and Bashkortostan to discuss possible areas of cooperation. Furthermore, in December 2021, AIFC held a high-level meeting with the financial regulators of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan, as well as a number of international financial organisations, that resulted in the Joint Statement underlining the importance of joint development of the financial system and attraction of investment to the region through the AIFC.

Common law court system and commercial dispute resolution systems, positions AIFC as the preferred regional centre for dispute resolution. Technological advances allow the AIFC Court and IAC to overcome geographic barriers and provide efficient access to justice through an electronic filing system and remote hearings.

Beyond that, Nur-Sultan represented by the AIFC, is now a leading financial centre in the Eastern Europe and Central Asian region ranking of the Global Green Finance Index, and further initiatives of GFC will help strengthen its leadership position as the regional centre for financing sustainable development.

To tap into those opportunities, at the end of 2021, AIFC has adopted its **Concept of the Regional Integration until 2025** that outlines key development areas in the region.

5.3 TECHNOLOGY, INNOVATION AND DIGITILISATION

Tech Hub is a subdivision of the AIFC, which has the task of promoting the development of the start-up ecosystem, the venture industry market, e-commerce, corporate innovation and new technological directions in Kazakhstan (GovTech, SatelliteTech, 4IR etc.). In cooperation with international partners, Tech Hub conducts support programmes for market players, promotes structuring of venture deals and testing of new fintech solutions within the regulatory sandbox of AIFC's jurisdiction.

KEY RESULTS

The turnover of fintech participants is worth

\$10 mln

The amount of investment transactions conducted on the territory of the AIFC has exceeded

\$4.5 mln

The total volume of venture capital deals exceeded

\$7 mln

\$4 mln

investments attracted by start-up members of the Tech Hub

70 Tech Hub members

of a platform for developing start-ups in Central Asia and other regions

135+ start-ups

from all over Central Asia were supported. 37 start-ups were presented at international venues, and one start-up became a winner at a competition held at the FinTech forum in Abu Dhabi.

26 start-ups

entered into transactions at the AIFC site by signing convertible loan agreements, and through the private placement and acquisition of shares in start-ups.

80+ of workshops and seminars

conducted by the AIFC in the field of technology and innovations development.



**Kairat Kelimbetov,
the Governor of the AIFC:**

"Tech Hub gave rise to a whole new industry in Kazakhstan – the industry of venture capital, worth more than USD 7 mln according to the principles of international standards. Kazakhstan has entered the Global Fintech Index 2021 for the first time, ranking 13th among the countries of the Asia-Pacific region."



FOURTH INDUSTRIAL REVOLUTION CENTRE (C4IR)

With intensification of the digital revolution, AIFC fully recognises that the current shift happening across all industries offers both unprecedented opportunities and challenges that must be addressed efficiently to gain the competitive advantage and harness the full potential of the Fourth Industrial Revolution.

In this regard, the **World Economic Forum's Affiliate Centre for the Fourth Industrial Revolution** in Kazakhstan was officially launched at the AIFC premises in July 2021. C4IR brings together government agencies as well as business and industrial partners of Central Asia to develop a favourable environment to harness the emerging technologies that will significantly impact the innovative development of Kazakhstan and the region. With this cooperation, Kazakhstan's business community, as well as AIFC participants, can establish business partnerships with the Forum's members and go beyond borders, thanks to the global network of the World Economic Forum.

The short-term plan of the C4IR is the development of a Strategy for the implementation of elements of the **Industry 4.0** concept, including Internet of Things technologies and Data Policy.

In December 2021, C4IR of Kazakhstan agreed on cooperation with the Affiliate Centre for the Fourth Industrial Revolution of the United Arab Emirates in the field of experience exchange and the development of national 4IR strategies, also public-private initiatives in the field of new technologies at local level.

FINTECH START-UPS

Fintechstars is a start-up support programme aimed at increasing the number of new fintech solutions available on the market that contribute to the development of fintech ecosystems and a cashless economy in Kazakhstan and Central Asia. The projects provide all financial players with access to new technologies, joint initiatives, access to foreign markets, as well as obtaining qualified assistance from the best experts.

CORPORATE INNOVATION

Tech Hub develops the corporate innovation market in Kazakhstan by creating a platform for companies open to innovation, accelerators, incubators, hubs, laboratories, product technology teams, and corporate venture funds. It launches a number of educational programmes for corporations and start-ups, provides support and assistance for corporate accelerators, scouts technology solutions and teams, both at local and foreign markets.

In July 2021, Tech Hub announced the launch of the **first fintech accelerator** for banks in Kazakhstan jointly with the **Internet Initiatives Development Fund (IIDF)** and with the support of the main partner – the **Mastercard** international payment system. Altyn Bank, Eurasian Bank and Freedom Finance Bank became the participants of the accelerator. The programme was aimed at finding and attracting the best fintech solutions for start-ups in Kazakhstan and CIS countries, to support technological leadership and the introduction of open innovation practices in the financial sector of Kazakhstan. The majority of 300 applications from start-ups came from Russia and Kazakhstan. Over 70% of start-ups already had the experience of piloting large corporations. The finalists were 11 start-ups, introducing solutions for information security, gamification, partner services development, robotics, onboarding and employee training, marketing personalisation, big data processing etc.



**Børge Brende,
President of the World Economic Forum:**

"By joining the Fourth Industrial Revolution Centres Network, Kazakhstan is stating to the world that they will adopt new technologies that are people-centred, inclusive and governed by fair principles."

The establishment of the Centre for 4IR in Kazakhstan will contribute to the regulation of technologies and their development, stimulate the economy, improve the quality of life, and prevent and manage upcoming challenges and consequences. Moreover, the Centre for 4IR in Kazakhstan will assist in the development of the entire region, equitable distribution of opportunities and ensuring equal benefits for society."



VENTURE CAPITAL (VC)

Venture Capital Support is a newly established division of the Tech Hub with an objective to build a healthy VC ecosystem and enhance the fundraising and deal-making capabilities of the Central Asian and CIS start-ups, as well as deal-structuring capacity within AIFC.

At the beginning of 2021, Tech Hub, in cooperation with the global research and innovation company, Titanium Technologies, launched **VentureRocket Eurasia**, a start-up ecosystem management and investment platform that offers alternative funding mechanisms and expands fundraising opportunities for start-ups in the region.

This digital matchmaking platform helps the top tech projects to connect with international accredited, professional, and institutional investors as well as multiple venture building services (like strategic planning, investor network, technology and R&D, regulation, talent developing, scaling to global markets, and much more).

This is the first co-investment platform for start-ups in Central Asia that aims at attracting regional and global capital providers. For investors, this platform is an opportunity to connect with vetted start-ups, invest with other partners, and enter a global network of other ecosystem members to get start-up support services from them.

Tech Hub, together with **Titanium Technologies**, conducted several events to heighten interest in the VC market. As a spectacular example, the AIFC member, Namba Group (Kyrgyzstan), attracted investments for USD 1 mln with the help of a private venture fund, MOST Ventures Fund.

By the end of 2021, total VC deals that received support from the Tech Hub exceeded USD 7 mln. Around 22% of the total volume of transactions were financed by individuals or group of angel investors. Progressively, such investments are made through syndicates, and due to the large selection of alternative organisational-legal forms available for business registration, the AIFC is a favourable platform for these purposes.

COMPETENCE CENTRE

Since its establishment, Tech Hub has published **over 15 technical reports** on Kazakhstan and the region's market, partnering with eminent international market players such as Mastercard, Plug and Play, GenerationS, the International Finance Corporation of the World Bank Group, KPMG and law firm Kinstellar etc.

The following reports have been published in 2021:



Fintech 2021: Emerging Venture Capital in Central Asia

A practical cross-border insight into fintech law. A chapter on AIFC's Initiatives for emerging VC in Central Asia is presented in international comparative legal guides (ICLG.com), a leading global platform for legal reference, analysis and news, hosting comprehensive comparative legal guides and research tools that cover law in more than 192 jurisdictions across 58 practice areas.

This chapter covers initiatives the AIFC has developed to foster the VC market in Kazakhstan and the Central Asian region that mainly include a regulation framework, tax benefits, a guidebook, and precedents.



The start-up ecosystem of Kazakhstan

AIFC Tech Hub, in partnership with Tuz Ventures, conducted the first study of Kazakhstan's start-up ecosystem, surveying more than a hundred start-ups and interviewing local experts. Zerde Holding, Astana Hub, Tech Garden and MOST also took part in the research. The report will be useful for technology entrepreneurs to gain insight into the market and competitors, government officials to better understand the country's innovation ecosystem, and investors to learn about the market and make investment decisions. According to the report, the majority of start-ups that have entered the market over the past two years belong to three main sectors: e-commerce, EduTech, and FinTech - these three sectors are the most visible in the Kazakhstan market and continue to grow.



Open Banking

The report prepared by the AIFC in cooperation with the global payment technology solutions company, Mastercard, has deepened research on global and Kazakhstani market insights of Open Banking. It notes the advantages and key drivers of open banking development, regulatory approaches in the world and practical experience of interaction between banks and partner services. According to research, the main goals of the development of open banking are the possibility of generating additional income, increasing customer satisfaction, as well as increasing the availability of financial services.



The Fintech Start-up Landscape in Kazakhstan

AIFC Tech Hub conducted a report on the market of fintech start-ups in Kazakhstan, providing sector analysis in the field of start-up profiles, mapping, investments and partnerships, as well as insights on 15 promising fintech start-ups to watch. The report also highlights the valuable contribution of the AIFC to the development of the fintech market within the country and the region.

The results of the survey show that the start-up sector in Kazakhstan is still emerging, since 72% of respondents are at the early stage of development and have been operating for less or equal to three years. The most popular fintech destinations are payments, transfers, mobile wallets (20%), and financial software/ back – and middle – office solutions (18%). From a geographical perspective, most start-ups target either the Kazakh or CIS regional market.



AIFC Venture Capital Practical Guidebook (V.1)

Having observed a significant increase in the volume of venture capital deals in 2020, Tech Hub, in partnership with KPMG Tax & Legal in Kazakhstan, and the law firm Kinstellar, has developed a practical guide to venture capital in the AIFC. This guide describes AIFC requirements for registration and authorisation of legal entities, VC funds and fund management companies. It also reveals possible ways to structure investment deals and exit strategies for investors, and presents a comparative analysis of Delaware, Cyprus and the AIFC tax regimes, which will be useful for investors and start-ups considering an alternative jurisdiction for investing and attracting local and foreign financing.



CorpUp Kazakhstan 2021

The first analytical report on Kazakhstan's corporate innovation market which provides practical guidance on the introduction of corporate innovation tools, acquaints the market with the best practices of international and Kazakhstani corporations (Beeline Kazakhstan, BTS Digital, BI Group, Halyk Bank, ChocoFamily, Metro Cash & Carry, PepsiCo, MTC, LENTA etc.), as well as compiles a rating of the top 10 innovative corporations of Kazakhstan.

BENEFITS AND OPPORTUNITIES OFFERED BY TECH HUB

Digital Transformation of Industries	GovTech	BigTech soft landing	Global outreach for Start-ups
Enhancement of SMEs business processes through digital solutions and automation towards new business models and revenue streams.	Development of the digital ecosystem and human capital.	Tech Hub provides international technology companies with soft landing services, including assistance with receipt of government services and legal advice in Kazakhstan.	Tech Hub offers to the start-up ecosystem its extensive network of local and regional partners for attracting investments and scaling growth.

DIGITAL AIFC

Developing Tech Hub is aimed more at building fintech ecosystem, whereas Digital AIFC is also focused on the creation of platforms and products for AIFC stakeholders. There are three strategic priorities that we focus on.

Activities and projects within the framework of digital transformation are aimed at ensuring the readiness of the AIFC to enter foreign markets by improving or maintaining the efficiency and coherence of the activities of all AIFC Bodies and their organisations.

Priority 1. A financial centre that is equipped for the digital age.	Priority 2. A financial centre that is adapting to market and staff needs.	Priority 3. A financial centre that is easy to deal with.
AIFC employees and participants expect to get smart and convenient services and ways of operating within their daily routine. To deliver on these expectations and achieve our vision, we are upscaling our digital skills and capabilities, partnering with innovative organisations to deliver the right outcomes.	AIFC is working on the analysis of all current business processes, providing automation to cover all needs and ensure smooth digital transformation.	To make AIFC easy to deal with, we need simple and intuitive services that support the needs and requirements of AIFC participants, while eliminating the need to deal with multiple parties or layers of state authority. Our digital services must also be secure and convenient to access using the devices of people's choice.



e-Residence

Digital platform created to conduct business online from anywhere in the world. All parties will be able to get relevant information, start businesses and open bank accounts. AIFC clients can register company with AIFC on average in one day.

Since the launch of the platform, the number of registered users has exceeded 1,700 people. Overall number of services available online currently is more than 50. In 2022, AIFC participants will be able to open bank account online.

Ancillary Service Providers' (ASP) marketplace was launched as part of e-Residence platform where ASPs can be published with description of their services. This marketplace serves as foundation for ASP business development and scaling beyond AIFC territory.



QWANT

Innovative programming school aims to prepare the future leaders of the digital economy in Kazakhstan. QWANT offers a leading software development program from Silicon Valley to ensure that its students gain all the IT skills they need in the future.



Alpharabius

Full-cycle educational online platform that supports students in identifying internal talents and skills, setting career goals, choosing a university, developing skills.



Accessible, Transparent, Efficient.



eJustice

Online portal which allows parties to file cases online at the AIFC Court and IAC electronically from anywhere around the world. It can assist with the management of full end-to-end electronic processing of legal documents and administration in cases.



Android:



iOS:



Tabys app

Mobile application that offers retail investors a broader range of investment options. There are now a variety of ETNs listed which track various benchmark indexes, such as high yield US corporate bonds and high dividend companies.



Android:



iOS:



AFINA

AFINA mobile application as part of e-Residence ecosystem serves as alternative communication channel within the AIFC ecosystem. With implementation of AFINA, we are developing an omni channel approach to deliver AIFC services for clients. Moreover, AFINA is the foundation for network creation within AIFC ecosystem and beyond.

5.4 HUMAN CAPITAL DEVELOPMENT

As part of the AIFC's efforts to support continued professional development and build a regional talent ecosystem, AIFC Bodies and their organisations are implementing measures to develop human capital skills needed for the future in partnership with academia and industry.

Bureau for Continuing Professional Development (BCPD) aims to develop human capital through creating digital platforms for continuous professional development, formation and support of professional communities, accessible expertise and open dialogue of market professionals.

BCPD continues to foster digital inclusion through its commitment to support digital talent development and initiatives, specifically targeted at preparing the next generation of digital talent. Acknowledging the demand for digital skills, BCPD has been working on building an ecosystem that is talent development-focused, sustainable and inclusive, scaling its talent management activities to the region.

Since its establishment, BCPD has made a great contribution to the development and formation of a new educational

industry and EdTech landscape in Kazakhstan, also training more than **8,000 professionals** with the right capabilities, ready to take on new roles and adapt to an ever-changing environment.

BCPD has provided assistance to many companies/start-ups and launched joint courses and initiatives, such as Nobel Fest, Quantum STEM school, Astana IT University, the Cosmos project, Talantiz, Geometry, Atlant, Welldone, Aero, Neurostorm, Tamos and others.



University of the Future is a digital platform for professional development aimed at delivering career relevant competency-based training, building future-ready leadership mindsets and skills. Key areas of professional development include finance, investment management, risk management, project management, HR management, accounting, Islamic finance, financial technology and corporate governance.

The University of the Future aspires to become a leading provider of innovative, effective, and integrated training and development solutions for professionals and corporations in Kazakhstan and the CIS region. By the end of 2021, 8,000 professionals had been trained through the platform including business trainings, workshops, seminars, conferences, camps, advanced certificate programmes, preparatory courses for CFA / Investment foundation, FRM / ERP / Fundamentals of Financial Risk, ACCA, CIMA, CIA, HRCI, PMI, Islamic Finance, CMC, CGI / Corporate Governance.



QWANT, an innovative programming school, designed on the principles of game-based, peer-to-peer and project-based active learning, has trained over 600 IT talents from Kazakhstan, the United States, China, Russia, Hungary, Kuwait, Italy, Canada, Saudi Arabia, Poland, Norway and the United Kingdom. In 2021, the HolonIQ selected the QWANT school as one of the 100 most promising EdTech start-ups in the region of Russia, and CIS EdTech.

QWANT interacts with the Ministry of Digital Development, Innovation and Aerospace Industry of Kazakhstan, to meet the challenges of IT talent development and accessibility to tech education. In cooperation with the Educational IT Alliance and Microsoft Kazakhstan, the first QWANT Programming Olympiad was held in 2021 among high school students, which gathered together more than 280 participants from almost all the regions of Kazakhstan. Also, the QWANT school conducted Summer School programmes for students in grades 9-11, digital internship in the AIFC Jurisdiction, a Reactors' Programme for beginners and an Upskill Programme for experienced coders.



The AIFC Academy of Law is an educational platform, established to provide legal education programmes on the AIFC Law and international commercial law practice, strengthen human capital through educational and training courses, seminars for judges, lawyers, mediators and arbitrators. The AIFC Academy of Law is modelled on international best practices but customised to ensure the best fit in view of economic and social conditions in Kazakhstan and Central Asia.

Since its establishment, the AIFC Academy of Law has organised around **30 legal education programmes** with almost 1,000 students participating in these programmes. In addition, 43 talented students specialising in law participated in the online internship programme which is held every summer by the AIFC Academy of Law, in order to familiarise students with the jurisdiction and legal initiatives of the AIFC.

By the end of 2021, the AIFC Academy of Law had organised **8 AIFC Legal Talks events** and 455 participants had attended these events. As for the AIFC Law Conference, more than **9,000 participants** took part in sessions dedicated to the jurisdiction of the AIFC and its advantages, updates to the General Legal Framework of the AIFC, legal technologies, financial legal acts, transport legislation and the future of legal education.

Since the establishment of the AIFC Academy of Law, **70 pro bono sessions** were conducted by volunteer lawyers of the AIFC Participant Law Firms, and 148 clients were advised under the AIFC Law Pro Bono Office.

The key milestone of the AIFC Academy of Law for 2022 is the further organic development to become a regionally renowned and trusted academy. The AIFC Academy of Law will continue to provide valuable public services and give structure to all legal ancillary services required in the AIFC, such as training for legal practitioners, legal publications, promotion and connection activities, and other related services.

The Academy of Law will also strengthen the network and the working relationships between the AIFC and the global legal community within its new role under AIFC Legal Services Regulations. The upcoming new AIFC Legal Services regulatory regime would designate the AIFC Academy of Law a key role in the development of the knowledge-based legal services market in the AIFC, by introducing the mandatory undertaking of Continuing Professional Development (CPD) courses.



ALPHARABIUS is a full-cycle educational platform for high school and college students aimed at early career orientation and life skills training for the holistic development of the student in a personal, academic, and socio-economic direction. The main products are unique courses and contests for students developed by the BCPD's team, as well as projects from partners of the EdTech community.



A-PRO is a successful project aimed at providing professional services, such as recruitment, outsourcing, outstaffing, outsourcing, career consulting to the AIFC ecosystem and the external market. The project assists with the management of companies' urgent resource needs, closing skills gaps, streamlining the recruiting process, as well as reducing time-to-hire and cost-of-hire.

The AIFC Reserve Pool consists of over **14,000 qualified professionals** from entry-level candidates to experienced profiles, meeting the demands of evolving business. The talent pool includes industry professionals from finance, economics, IT, law, accounting, HR, project management, risk management, marketing and other areas.

6. CORPORATE GOVERNANCE



6.1 CORPORATE GOVERNANCE FRAMEWORK

Today, sound corporate governance practices are essential for the proper functioning of an international financial centre. The AIFC is committed to continuously improving its corporate governance framework, aligning it with evolving international best practices.

The AIFC developed the **AIFC Corporate Governance Principles** (Principles), in partnership with TheCityUK and funded by the UK government. Professor Alexander Van de Putte led the development of the Principles and the team was advised by Simon Osborne FCG, former CEO of the Chartered Governance Institute. As a result of this collaboration, the Principles and its guidance document were finalised in early 2020 and approved by the AIFC Management Council in July 2020.

Operating on an “apply and explain” basis, the Principles are designed to improve the capabilities and influence the mindsets of boards and individual directors, while contributing to the sustainable long-term success of the AIFC. Since sound corporate governance provides the foundation to build trust and a relative degree of predictability (thereby generating comfort among the investor community and a broad stakeholder group), we are currently working with AIFC ecosystem companies and beyond to encourage the broader adoption of the Principles.

“The University of the Future”, a pillar of the BCPD, is the official tuition partner of the Chartered Governance Institute in Kazakhstan. Through this platform, the AIFC offers training on corporate governance, company secretarial practice, ESG and the board for government officials, quasi-public entities, and private businesses in Kazakhstan. The BCPD prepares Kazakh governance professionals to become chartered

governance professionals with the Chartered Governance Institute, which offers the most international and comprehensive governance qualifications in the world.

In 2021, the AIFC Academy of Law, another BCPD pillar, conducted a certificate programme on corporate governance led by Professor Van de Putte. The programme focused on various aspects of corporate governance, including emerging areas of board oversight, the value of good governance, and the AIFC Corporate Governance Principles.

Towards the end of 2021, the University of the Future organised the Corporate Secretary's Forum, in collaboration with Baiterek Holding. The forum focused on the growing impact of corporate governance on the sustainable, inclusive and resilient development of companies and the introduction of ESG standards in Kazakhstan.

Finally, at the end of 2021, the BCPD established the Companies Secretary's Forum to promote the profession and support board effectiveness by monitoring that board policy and procedures are followed. Typically, an organisation's only full-time governance professional, the company secretary, plays a pivotal role in ensuring that sound corporate governance is promoted and practised.

The AIFC's commitment to corporate governance is observed through the following: its robust corporate governance framework; its regular review to ensure that the framework is relevant and effective; its commitment to continuously develop practices aimed at promoting sound and prudent management; and its dissemination of good corporate governance knowledge among companies, institutions, and individuals across the country.

AIFC CORPORATE GOVERNANCE PRINCIPLES

- 1** Companies should be led by a board that promotes the long-term success of the company, generating value for its shareholders, acting responsibly towards key stakeholders, and in the case of companies operating in Kazakhstan, also contributing to the sustainable economic development.
- 2** Companies should have an effective board which is collectively accountable for ensuring that the company is managed prudently and effectively.
- 3** The board should establish the company's mission, purpose, values and strategy, and satisfy itself that these and its culture are aligned.

- 4** The board should set, and its members should comply with, high standards of ethical behaviour, and hold management accountable for delivering these standards throughout the organisation.
- 5** The board should ensure that there is a clear division of responsibilities between the non-executive directors and executive management, and that no one individual has unfettered powers of decision-making.
- 6** Boards should be large enough to accommodate all necessary skills and competences, but still be small enough to promote cohesion, flexibility and effective participation. The optimum size for a board is within the range of 8-12 people.
- 7** The board, and its committees, should have an appropriate balance of skills, experience, independence and knowledge of the company's business, and adequate resources, including access to expertise as required and timely and comprehensive information relating to the affairs of the company.
- 8** The board should ensure that the company's financial and other reports present an accurate, balanced⁶ and understandable assessment of the company's financial position and prospects by ensuring that there are effective internal risk control and reporting requirements.
- 9** The board should be responsible for setting the risk appetite of the company. Risk appetite refers to the amount of risk that a board is willing to take on in order to achieve its strategic objectives.
- 10** The board should ensure that the company has a risk management, internal control and compliance framework which is effective, well-defined and well-integrated.
- 11** The board should ensure that there is a formal and rigorous annual performance evaluation of the board, its committees and individual directors. Annual evaluation of the board should include composition, diversity and effectiveness. Individual director evaluation should determine whether directors are contributing effectively to the work of the board and its committees.
- 12** The board should have a formal and transparent procedure for developing policies on director and executive remuneration. No director should be involved in deciding his or her own remuneration.
- 13** The board should ensure that the remuneration policies and practices are designed to support strategy and are aligned with the long-term interests of the company.

AIFC CORPORATE STRUCTURE

I. AIFC BODIES

AIFC MANAGEMENT COUNCIL

The AIFC Management Council is a permanent collegial body chaired by the President of the Republic of Kazakhstan, the supreme governing body of the AIFC. The Council determines strategic directions for the development of the AIFC and fosters the development of favourable conditions for establishing the AIFC as a leading international centre of financial services.

AIFC GOVERNOR

The Governor is an AIFC body, with special administrative and managerial functions and regulatory powers for the purposes of coordinating the functioning of AIFC Bodies, including their interaction with the state bodies of the Republic of Kazakhstan, international organisations, institutions, legal entities and individuals, and other entities.



The AIFC Authority is responsible for formulating the centre's development strategy and drafting acts on matters unrelated to the regulation of financial services. To further AIFC's integration into the global financial architecture, the AIFC Authority also establishes links with international financial centres, institutions and investment companies.



The Astana Financial Services Authority (AFSA) is an integrated regulator of all financial and market activities, ancillary services, as well as a registration authority for all AIFC participants. The AFSA's mission is to ensure the fair and transparent operation of financial and capital-market systems within the AIFC.



The AIFC Court is the court for commercial dispute resolution within the AIFC. With 9 highly experienced judges from the common law world, the court has exclusive jurisdiction for commercial disputes (it does not have jurisdiction for criminal or administrative disputes).



The International Arbitration Centre (IAC) provides an independent alternative to court litigation, operating at the highest international standard to resolve commercial disputes. The IAC has its own panel of 41 highly regarded international arbitrators and mediators.

II. AIFC ORGANISATIONS FACILITATING BUSINESS DEVELOPMENT



The Astana International Exchange was established to develop an extensive and liquid capital market in Kazakhstan and Central Asia by providing clear and favourable conditions for attracting local and foreign investors, as well as creating a platform to finance the growth of private businesses and the economy as a whole.



Tech Hub seeks to utilise the latest innovative technologies to future-proof AIFC's key business pillars and to develop a vibrant multi-stakeholder innovative ecosystem, bringing together financial institutions, technology partners, fintech companies, and investors to help Kazakhstan emerge as a leader in tech innovations in the region.



AIFC Business Connect, being the main business development arm within the AIFC ecosystem and the client-faced "front-office", is always available to provide end-to-end support and service to any business and financial companies willing to establish its presence or structure investments and transactions in the AIFC jurisdiction.



The AIFC Expat Centre (AEC) acts as a "one-stop shop" for foreign investors and expats, assisting them in obtaining government and non-government services. The AEC provides expats and their families' assistance via over 500 government services, including visa and migration-related services, taxpayer registration, digital signature, driver's licence, vehicle plates, as well as socially-orientated non-government services such as consultations on healthcare, children's education, transport, and accommodation.



The Bureau for Continuing Professional Development (BCPD) develops human capital through creating digital platforms for lifelong learning. Its main goal is to contribute to the sustainable, inclusive, and resilient economic development of Kazakhstan and the Central Asian region by developing the capabilities and shaping the mindsets of current and future leaders of the country.



The Green Finance Centre (GFC) promotes the AIFC as a hub for green financing in the region, offering strategic solutions to governments, financial institutions, and enterprises, and facilitating the use of green and sustainable finance instruments, including the issuance of green and social bonds.



AIFC Academy of Law, a pillar of the BCPD, is a platform established to provide legal education programmes on AIFC Law and international commercial practice.

AIFC MANAGEMENT COUNCIL LEADERSHIP

<p>KASSYM-JOMART TOKAYEV</p> <p>CHAIRMAN</p> <p>President of the Republic of Kazakhstan</p>	<p>ALIKHAN SMAILOV</p> <p>DEPUTY CHAIRMAN</p> <p>Prime Minister of the Republic of Kazakhstan</p>	<p>SIR SUMA CHAKRABARTI</p> <p>DEPUTY CHAIRMAN</p> <p>Adviser to the President of the Republic of Kazakhstan on economic development and governance, Deputy Chairman of Supreme Presidential Council for Reforms</p>	<p>TIMOTHY BENNETT</p> <p>CHAIRMAN OF THE BOARD OF DIRECTORS</p> <p>Astana International Exchange (AIX)</p>	<p>RENAT BEKTUROV</p> <p>CEO</p> <p>Astana International Exchange</p>	<p>AINUR ZHUMATOVA</p> <p>HEAD</p> <p>AIFC Expat Centre</p>
			<p>JAMES MARTIN</p> <p>AIFC CHIEF INVESTMENT OFFICER, CO-CHAIRMAN OF THE BOARD OF DIRECTORS</p> <p>AIFC Business Connect</p>	<p>TEMIRLAN MUKHANBETZHANOV</p> <p>CEO</p> <p>AIFC Business Connect</p>	<p>DATUK DR. MOHD DAUD BAKAR</p> <p>CHAIRMAN</p> <p>AIFC Central Shari'ah Advisory Board</p>

LEADERSHIP – AIFC BODIES AND THEIR ORGANISATIONS

<p>KAIRAT KELIMBETOV</p> <p>GOVERNOR</p> <p>AIFC</p>	<p>YERNUR RYSMAGAMBETOV</p> <p>CEO</p> <p>AIFC Authority</p>	<p>THE RT. HON. THE LORD MANCE</p> <p>CHIEF JUSTICE</p> <p>AIFC Court</p>	<p>KAIRAT AITEKENOV</p> <p>CHAIRMAN OF THE BOARD OF DIRECTORS</p> <p>AIFC Green Finance Centre</p>	<p>AIDAR KAZYBAYEV</p> <p>CEO</p> <p>AIFC Green Finance Centre</p>	<p>ELMIRA OBRY</p> <p>CEO</p> <p>AIFC Bureau for Continuing Professional Development</p>
<p>BARBARA DOHMANN, QC</p> <p>CHAIRMAN</p> <p>International Arbitration Centre (IAC)</p>	<p>CHRISTOPHER CAMPBELL-HOLT</p> <p>REGISTRAR AND CHIEF EXECUTIVE</p> <p>AIFC Court and IAC</p>	<p>PROF. ALEXANDER VAN de PUTTE</p> <p>CHAIRMAN</p> <p>Corporate Governance and Stewardship & AIFC Chief Strategy Officer</p>	<p>KAIRAT KALIYEV</p> <p>CHAIRMAN OF THE BOARD OF DIRECTORS</p> <p>AIFC Tech Hub</p>	<p>PAVEL KOKTYSHEV</p> <p>CEO</p> <p>AIFC Tech Hub</p>	<p>DAVID RUSSEL GALLO</p> <p>DIRECTOR</p> <p>AIFC Academy of Law</p>
<p>MARC HOLTZMAN</p> <p>CHAIRMAN OF THE BOARD OF DIRECTORS</p> <p>Astana Financial Services Authority (AFSA)</p>	<p>NURKHAT KUSHIMOV</p> <p>CEO</p> <p>Astana Financial Services Authority</p>	<p>MICHAEL BLAIR, QC</p> <p>CHAIR</p> <p>AIFC Legal Advisory Council</p>			

6.2 RISK MANAGEMENT AND INTERNAL AUDIT

RISK MANAGEMENT

The AIFC appreciates the importance of having a robust risk management practice in place. The AIFC's administrative body, AIFC Authority, which is responsible for risk management, has established a solid risk management framework and approved appropriate internal documents governing the risk management process under the internationally accepted standards, COSO Enterprise Risk Management and ISO 31000: 2018 Risk Management. Responsibility for the governance of effective risk management rests with the board of directors of each organisation of the AIFC body. Boards are responsible for ensuring that the organisations have a risk management, internal control, and compliance framework that is effective, well defined, well-integrated, and establishes the risk appetite level of the company.

RISK MANAGEMENT FRAMEWORK

The AIFC is guided by the following internal documents when governing risk management:

1. The Risk Management Policy (Policy), which determines the principles of risk management, describes elements of the risk management framework, and defines the role and responsibilities of stakeholders.
2. Risk Management Procedures (Procedures), which describe the risk management process and define the key instruments used in the risk management process.

Main deliverables of AIFC Risk Management Framework

Risk management report	Comprehensive risk treatment plan	Risk notification
<ul style="list-style-type: none"> • Risk Register with all identified and assessed risks of the AIFCA • Risk Heat Map • Risk Profiles 	<ul style="list-style-type: none"> • A plan of activities undertaken to minimise the level of risk, with regular status updates 	<ul style="list-style-type: none"> • Immediate notification of ad-hoc risks not previously identified or reflected in the Risk Register

RISK MANAGEMENT GOVERNANCE MODEL

The Policy and Procedures establish the AIFCA risk management governance model depicting chain of command, reporting lines, roles and responsibilities. The governance model is organised in a top-down strategic view with a bottom-up operational assessment conducted by each Structural Unit. Members of senior management discuss the top-tier risks escalated through the bottom-up process and deliberate on any other risk issues that they consider important. This combined approach ensures that all the significant risks which need to be considered are identified and managed properly. The key stakeholders of the AIFCA risk management governance are as follows:

- Board of Directors (Board) – provides risk management framework oversight, approves Policy and considers periodical reports on risk management.
- Audit and Risk Committee – advises the Board of Directors on the risk-related matters, including issuance of risk management framework
- Management Board (Management) – implements the risk management framework, reviews and approves periodical risk management reports and monitors execution of Risk Treatment Plans.
- Risk Owners (heads of Structural Units) – manage risks faced by their business units/functions, identify and evaluate the risks which may potentially impact the achievement of business objectives, manage and monitor the risks by designing and executing control procedures in day-to-day operations.

INTERNAL AUDIT PROCESS

The Internal Audit Service (IAS) reports to the Audit and Risk Committee of the AIFC's administrative body, and is accountable to the Board of Directors. The activities of the IAS are governed by Kazakh legislation, the AIFC Authority's internal documents, and the International Standards for the Professional Practice of Internal Auditing ('the Standards'). The IAS focuses on providing the Audit and Risk Committee with independent and accurate information to ensure the effective management by applying a systematic approach towards improving risk management, internal controls, and corporate governance processes.

To discharge its activities in accordance with the annual audit plan, the IAS performs the following tasks:

- Assessment of the reliability and effectiveness of applicable internal controls and risk management.
- Evaluation of resource employment effectiveness and efficiency.
- Consulting and advisory services related to governance, risk management, and controls, as appropriate for the AIFC.

Such issues of internal audit are considered at the meetings of the Audit and Risk Committee:

- Internal audit report;
- Interim internal audit reports, including significant conclusions based on the results of audits, as well as monitoring the implementation of internal auditors' recommendations;
- Internal audit plan and amendments to it;

In line with the Standards and to ensure an appropriate quality of internal audits, the IAS has in place a framework for the continuous professional development of auditors. This means that auditors hold international certificates and diplomas, such as the Association of Chartered Certified Accountants.

6.3 ETHICAL CULTURE

BUSINESS ETHICS

The AIFC is committed to the highest standards and principles of business ethics, as outlined in the AIFC Ethics Code (the Code). The Code is based on international standards and best practices. The UK Institute of Business Ethics has been identified as a reputable source of ethics-related advice and has endorsed the Code.

The Code embodies the AIFC's commitment to conducting business in accordance with the highest ethical standards, and serves as a primary source for ethical decision-making. The Code is structured around the relations of the AIFC: with its stakeholders, the marketplace, the wider community, and internally. In each of these areas, the Code outlines the

values and business principles to which the AIFC adheres. The Code also addresses issues of confidentiality, conflicts of interest, anti-bribery and anti-corruption.

The AIFC Ethics Code applies to:

- AIFC Bodies, except the AIFC Management Council, the Chief Justice, judges and Registrar of the AIFC Court, and the Chairman, arbitrators and Registrar of the IAC.
- AIFC Bodies' organisations, apart from the AIX, which has updated its Code of Conduct to reflect the AIFC Ethics Code.

CORE AIFC VALUES AND BUSINESS PRINCIPLES

Accountability:

Accepting ownership of our decisions and their consequences, and taking responsibility for our commitments, actions, and results.

Integrity:

As individuals, our personal integrity means that others can trust us, and know that we are honest, fair, and forthright. We are committed to making unbiased decisions that serve our business needs as well as the interests of everyone with whom we do business.

Focus on the future:

We plan for our future and always think one step ahead.

Collaboration:

Sound teamwork and effective, efficient vertical and horizontal communications within the AIFC Community.

ETHICS PROGRAMME

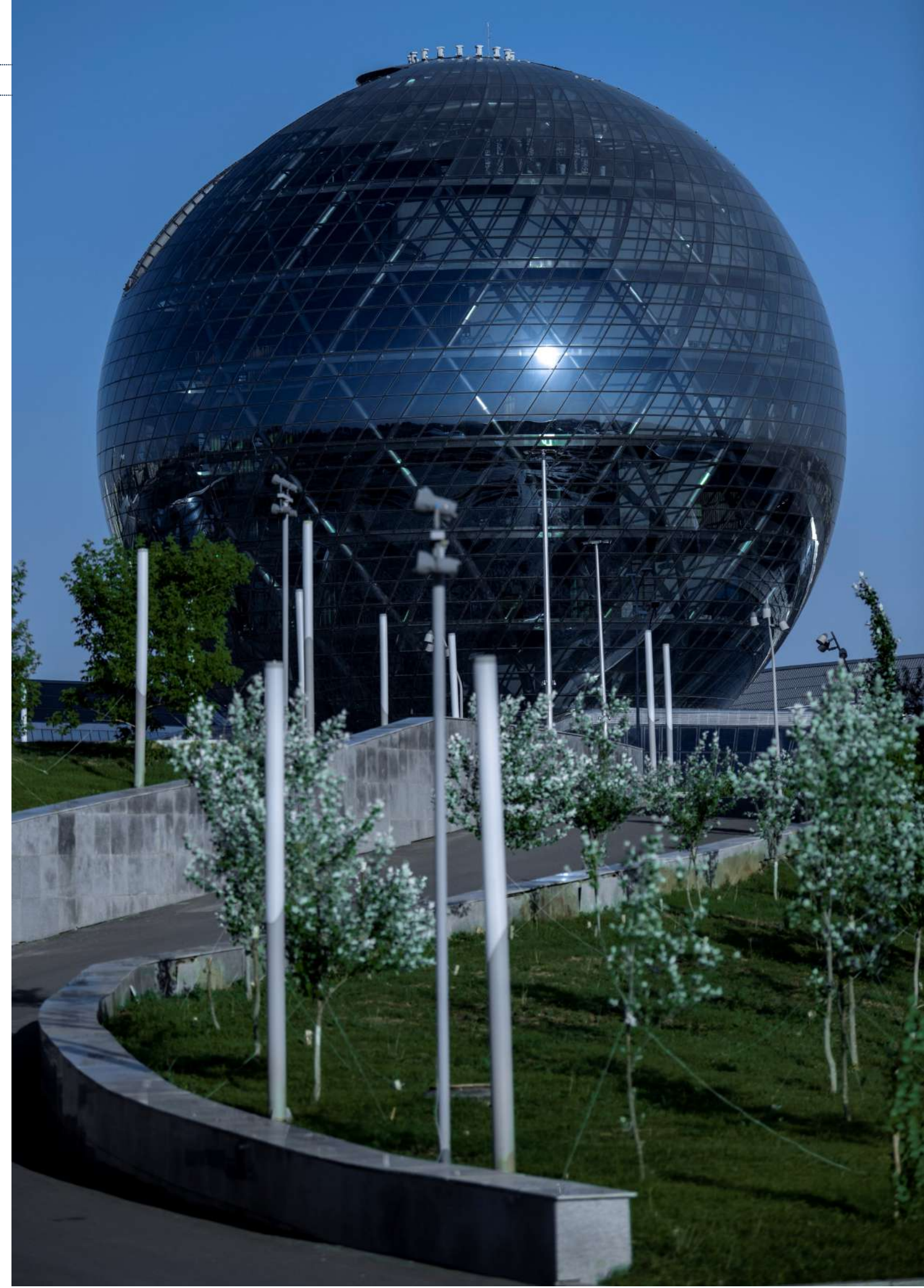
With the purpose of fostering an ethical culture, the AIFC has developed its Ethics Programme at the initiative of the AIFC Governor. The Programme is facilitated by the **AIFC Ethics Team**, which includes the AIFC Ethics Officer and the network of ethics ambassadors from each AIFC Body and their organisations. The AIFC Ethics Team's purpose is to promote a business culture in which the AIFC core values are a priority in every situation, by communicating a consistent message of ethics, promoting ethical awareness and implementing the ethics programme in a consistent way.

The AIFC Ethics Programme is supported by the development of the annual action plan, a roadmap, charting essential steps to raise awareness about the Programme, improve communications, encourage open dialogue and trust in leadership, and embed ethical culture in the AIFC.

Following the action plan in 2021, a **Speak Up Policy** was adopted by the Management Board of the AIFC Authority.

The Policy was developed with the purpose of reinforcing the AIFC core values and business principles stated in the Ethics Code. It also reaffirmed AIFCA's commitment to establish a corporate culture that encourages personnel to raise any concerns of wrongdoing they may have, and to make sure that reports are comprehensively and thoroughly investigated. AIFCA recognises that the early detection and reporting of wrongdoing depend on maintaining a culture of trust and integrity.

In 2021 efforts were focused on internal institutionalising of the Ethics Programme in the AIFC. The plan for 2022 is to expand the scope of activities externally to facilitate the development of the business ethics field in Kazakhstan and the region. Furthermore, we will join efforts with the Corporate Governance initiative of the AIFC to host our first Business Ethics Forum.

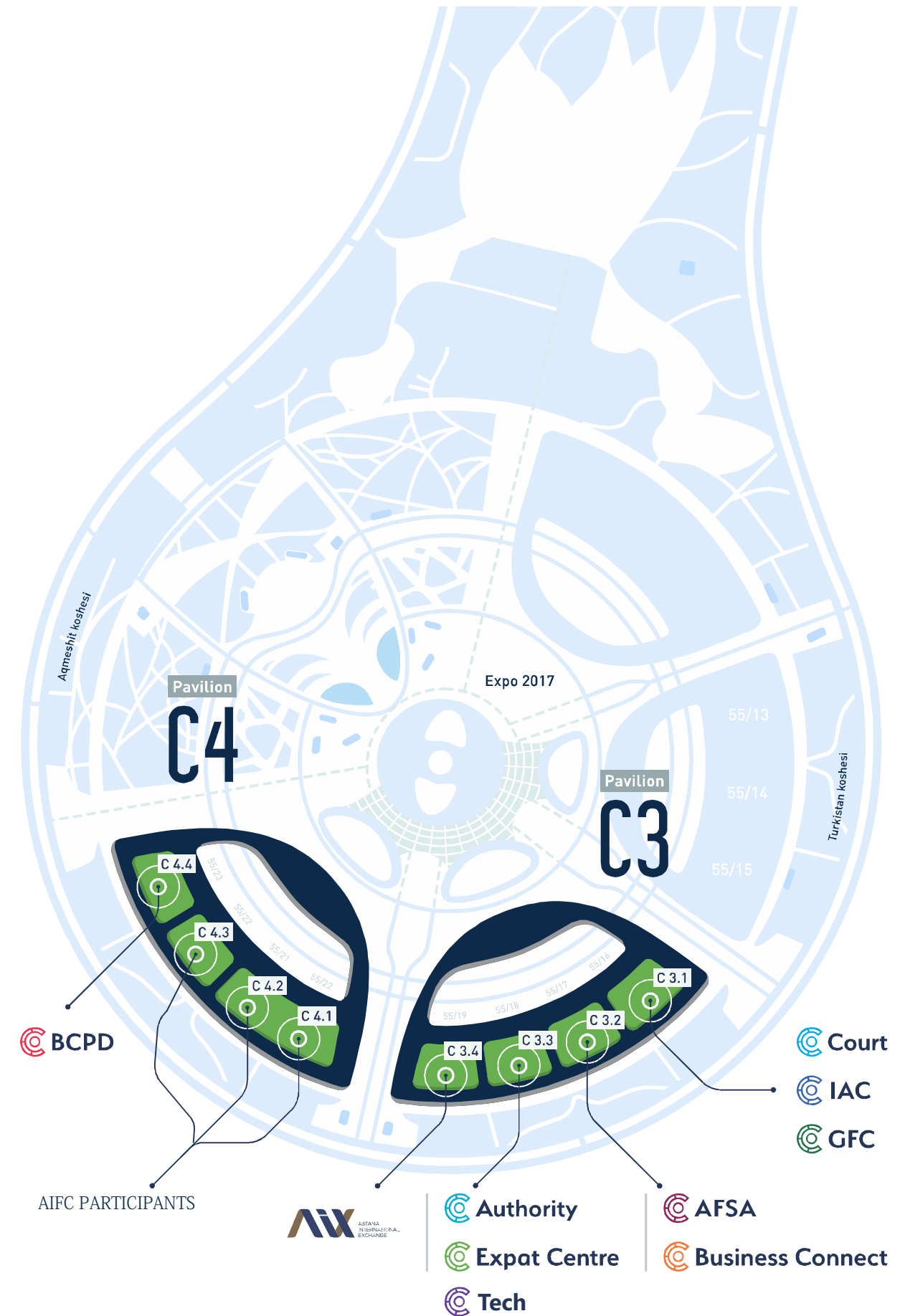


STARTING BUSINESS IN THE AIFC

AIFC'S COMPLEX

<p>STEP</p> <p>01</p>	<p>Go to website www.digitalresident.kz</p> 
<p>STEP</p> <p>02</p>	<p>Complete the requirements to register the entity in the AIFC</p> <ul style="list-style-type: none"> • Fill in the application form • Pay the registration fee
<p>STEP</p> <p>03</p>	<p>Application assessment and approval by AFSA.</p>
<p>STEP</p> <p>04</p>	<p>Receive your certificate/license to start operating.</p>

For support, please contact Registration Support Department of AIFC Business Connect: rsbd@aifc.kz



GLOSSARY

4IR/C4IR	BFourth Industrial Revolution/ Centre for Fourth Industrial Revolution	IFSB	Islamic Financial Services Board
ABC	AIFC Business Connect	IIN	Individual Identification Number
ACCA	Association of Chartered Certified Accountants	IMF	International Monetary Fund
ADB	Asian Development Bank	IOSCO	International Organization of Securities Commissions
ADR	Alternative Dispute Resolution	IPO	Initial Public Offering
AEC	AIFC Expat Centre	IsDB	Islamic Development Bank
AFSA	Astana Financial Services Authority	ITRP	Investment Tax Residency Programme
AIFC / Centre	Astana International Financial Centre	KASE	Kazakhstan Stock Exchange
AIFCA	Astana International Financial Centre Authority	KCSD	Central Securities Depository
AIFMD	Alternative Investment Fund Managers Directive	KERC	Kazakhstan Energy Reinsurance Company
AIX	Astana International Exchange	KZT	Kazakhstani tenge
AIX CSD	Astana International Exchange Central Securities Depository	LSE	London Stock Exchange
AML/CFT	Anti-Money Laundering and the Combatting of Terrorism Financing	NIP	National Investment Platform
ASP	Ancillary Service Provider	MOEX	Moscow Exchange
BCBS	Basel Committee on Banking Supervision	MoU/MMoU	Memorandum of Understanding/ Multilateral Memorandum of Understanding
BCPD	Bureau for Continuing Professional Development	MTF/OTF	Multilateral and Organised Trading Facility
BRI	Belt and Road Initiative	MSCI	Morgan Stanley Capital International
BSCEE	Group of Banking Supervisors from Central and Eastern Europe	NCOC	North Caspian Operating Company
CCP	Central Counterparty Clearing House	OECD	Organisation for Economic Co-operation and Development
CEET	Central and Eastern Europe and the Transcaucasian	PIT	Personal income tax
Central Asia	Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan	PMI	Project Management Institute
CFA	Chartered Financial Analyst	Region	Central Asia, the Caucasus, the EAEU, Western China, Mongolia, and Eastern Europe
CGI	Chartered Governance Institute	REMS	Regional Equity Market Segment
CIMA	Chartered Institute of Management Accountants	SDG	Sustainable Development Goal
CIA	Certified Internal Auditor	SEZ	Special Economic Zone
CIS	Commonwealth of Independent States	SGD	Singapore Dollar
CIT	Corporate Income Tax	SLB	Securities Lending and Borrowing Programme
CMC	Certified Management Consultant	SME	Small and Medium-Sized Enterprises
DIFC	Dubai International Financial Centre	SOE	State-Owned Enterprise
EAEU	Eurasian Economic Union	SPO	Secondary Public Offering
EDS	Electronic Digital Signature	UN SDGs	United Nations Sustainable Development Goals
EMMoU	Enhanced Multilateral Memorandum of Understanding	USA	United States of America
ESG	Environmental, Social, and Corporate Governance	USD	United States Dollar
ESMA	European Securities and Markets Authority	VAT	Value Added Tax
ESRA	Environmental and Social Risk Analysis	VC	Venture Capital
ETN, ETF	Exchange-Traded Note, Exchange-Traded Fund	W4E	Women's Economic Empowerment, Education and Entrepreneurship
EU	European Union	WEF	World Economic Forum
FATF/EAG	Financial Action Task Force/ Eurasian Group - a FATF style regional body	WFE	World Federation of Exchanges
FDI	Foreign Direct Investment	WAIFC	World Alliance of International Financial Centers
FTSE	Financial Times Stock Exchange		
GDP	Gross Domestic Product		
GDR	Global Depositary Receipt		
GFC	Green Finance Centre		
GFCI	Global Financial Centres Index		
GGFI	Global Green Finance Index		
GIFR	Global Islamic Finance Report		
GIP	Green Investment Principles		
GRI	Global Reporting Initiative		
GTH	Green Technology Hub		
HR	Human Resources		
HRCI	HR Certification Institute		
HTMC	Halal Trade and Marketing Centre		
IAC	International Arbitration Centre		
IAIS	International Association of Insurance Supervisors		
IAS	Internal Audit Service		
ICT	Information and Communication Technology		
ICU	Investment Communication Unit		
IFR	Islamic Finance Rules		