



5 YEARS OF ACHIEVEMENTS



**ANNUAL REPORT ON THE ACTIVITIES OF
THE ASTANA INTERNATIONAL FINANCIAL CENTRE** **2022**

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FOREWORD



KASSYM-JOMART TOKAYEV

President of the Republic of Kazakhstan

Kazakhstan is entering a new stage of its development and is focusing on accelerating the growth of the markets in a free and competitive economy. In such conditions, strengthening the confidence of foreign investors and trade partners remains our top priority. In this regard, the potential of the Astana International Financial Centre as a guarantor of investments, security and safety should be maximised.

June 27, 2022

The basis for building a strong economy in 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

In the face of increased competition for foreign capital, we should switch to working directly with each capital holder. We should also develop individual support measures for each investor based on priorities and potential effects 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 top-priority industries.

We must, therefore, intensify the use of the Astana International Financial Centre's potential for attracting investments and developing the stock market, especially in light of the forthcoming privatisation of state-owned assets.

Finally, we should ensure Kazakh entrepreneurs have access to take advantage of the active laws of the Astana International Financial Centre Court and its institutions involved in resolving business dispute cases.

May 11, 2022





RENAT BEKTUROV

Governor of the Astana International Financial Centre*

Since the AIFC’s official launch in 2018, the centre has made significant progress in building the platforms that meet its five objectives: facilitating investment in Kazakhstan, developing the securities markets, attracting new financial service providers, building the professionalism and capabilities of the financial services sector and achieving recognition as a leading international financial centre.

These new AIFC platforms include an internationally credible legal jurisdiction to support investment in Kazakhstan, a regulatory environment for 35 different types of financial services, a globally connected securities exchange and a professional financial services training academy. To date, more than 1,700 companies from more than 70 countries have registered with the AIFC and more than 1,600 disputes have been resolved. As for investments, around USD 8.0 billion has been put in the public markets (USD 356 million in equity and USD 2.4 billion in debt), as well as in private equity (USD 1.6 billion) and direct investment (USD 3.6 billion). The centre has also provided educational materials to more than 16,000 people.

Collectively, these efforts have increased the international investors’ awareness of Kazakhstan as an investment destination and resulted in the AIFC being ranked 66 in the Global Financial Centre Index. Great contributions to the creation and development of the AIFC were made by Dr. Kairat Kelimbetov, the centre’s first governor.

In the AIFC’s next five-year development plan, the centre’s focus will shift from building the platforms that support its objectives to leveraging these platforms to expand the AIFC in line with, and supportive of, the country’s overall economic development.

The current economic and investment environments in Kazakhstan and globally are very different now than five years ago. The economic uncertainty and geopolitical situations have made potential investors more selective. While investors are more positive about the changes that have occurred in Kazakhstan, the country’s investment fundamentals, its mineral resources, high demand for infrastructure development and its young, growing population, investors are still finding that sourcing investment opportunities are proving to be challenging. In today’s much more competitive global investment market, in which other countries can provide easier access to similar opportunities that are similar to those in Kazakhstan but with lower perceived risk, Kazakhstan must escalate its efforts to attract investors worldwide.

STRATEGIC INITIATIVES 2023–2024

The AIFC is well-positioned to support these escalation efforts. The centre’s jurisdiction has created a supportive environment for inbound investment, and the inbound investment team and the Astana International Exchange (AIX) are providing the experience and capabilities needed in attracting private and public market investors.

The AIFC is refining its strategy to support Kazakhstan’s economic growth more directly through facilitating foreign direct investment and raising foreign and domestic equity and debt capital through the securities market. Over the next 12 months, the AIFC plans to be:

FACILITATING NEW INVESTMENTS

- Establish a differentiated relationship management culture and capability with dedicated client teams supported by specialists in products and transactions.
- Focus on facilitating investment in high-priority regions, sectors and investor segments that have been identified as being essential for Kazakhstan or where the AIFC has identified a gap in the country’s current investment attraction efforts.
- Propose policy changes to increase investment attractiveness either by reducing the country’s risk premium or offering the appropriate incentives.

ACCELERATING THE GROWTH OF THE SECURITIES MARKET

- Accelerate the efforts to list and develop new investment opportunities, increase international fund managers’ engagement and develop an AIFC-domiciled fund management industry.
- Address the gaps in infrastructure and services required to fully develop the securities market, particularly by ensuring that a globally compliant fund administration platform is in place to support the growth of the fund and asset management industry and the development of an emissions-compliant trading market.

EXPANDING FINANCIAL SERVICES

- Develop the AIFC’s legal and regulatory environment by making the changes required to support the growth of the equity, debt, carbon, funds and asset management markets. Similarly, efforts to attract new participants will be on domestic and offshore firms that offer or support these products.
- Ensure that the legislative environment (or jurisdiction) and regulatory functions evolve in response to the changing global environment; for example, changes to fund management rules in other jurisdictions or changes in global sanctions.

DEVELOPING INNOVATIONS AND CAPABILITIES

- Continue to differentiate the AIFC in its approach to developing both the centre and the financial services sector. The AIFC, through its training academy (A-Pro), will continue to increase the professionalism and capabilities of the financial services workforce.
- Focus on new financial services innovations such as the development of a digital asset ecosystem in a way that carefully manages the risk to users and the AIFC.

ONE AIFC

The key strategic initiatives for the AIFC are its new organisational structure, operating model and culture.

The new organisational structure of the AIFC Authority was put in place in March 2023 to support the revised strategy. The two key divisions in the new structure are Client Relationships and Product and Sectors, both of which directly support the centre’s investment attraction efforts.

Going forward, the AIFC will operate in a much more integrated model that shares services and implements common marketing and client relationship management. At the core of our organisation is a culture based on customer-centricity, efficiency and results orientation, transparency and openness to innovation.

* Appointed by the Decree of the President of the Republic of Kazakhstan on January 6, 2023



 Authority

 AIFC



**01. AIFC – 5 years
of achievements**

ABOUT THE AIFC

The Astana International Financial Centre (AIFC) is a driver of financial innovation in Kazakhstan and beyond that provides a reliable infrastructure and jurisdiction, unique products and services for doing business, and attracts local and foreign investments.

VISION



To become a driver and the main hub for investment and financial innovation in the economy of Kazakhstan for its further growth.

MISSION



To contribute to the sustainable economic development of Kazakhstan by providing a unique infrastructure for investments and doing business, a reliable jurisdiction, an independent court and arbitration, as well as supporting innovation and the development of financial products and services.

OBJECTIVES



1. Help attract investment into the economy of Kazakhstan by creating a suitable environment for investment in the financial services sphere.
2. Develop a securities market and integrate it with international capital markets.
3. Develop insurance markets, banking services, Islamic finance, financial technologies (fintech), digital assets, electronic commerce and innovative projects in Kazakhstan.
4. Develop financial and professional services based on international best practices.
5. Achieve international recognition as a financial centre.

In accordance with the Decree of the President of the Republic of Kazakhstan and the Constitutional Statute of the Republic of Kazakhstan 'On the Astana International Financial Centre', the AIFC was created in the capital of Kazakhstan in 2015 with a special legal regime in the financial services sphere. The AIFC's official launch took place in 2018, when the infrastructure of the financial centre was formed, including the creation of key bodies and organisations, as well as the necessary legal and regulatory framework for starting activities of the first registered participants on the AIFC platform.

The AIFC embodies the best practices of the world's leading financial centres, such as New York, London, Hong Kong, Singapore and Dubai. For the first time in the post-Soviet space, a common law system based on the principles, legislation and precedents of the laws of England and Wales was introduced at the AIFC platform.

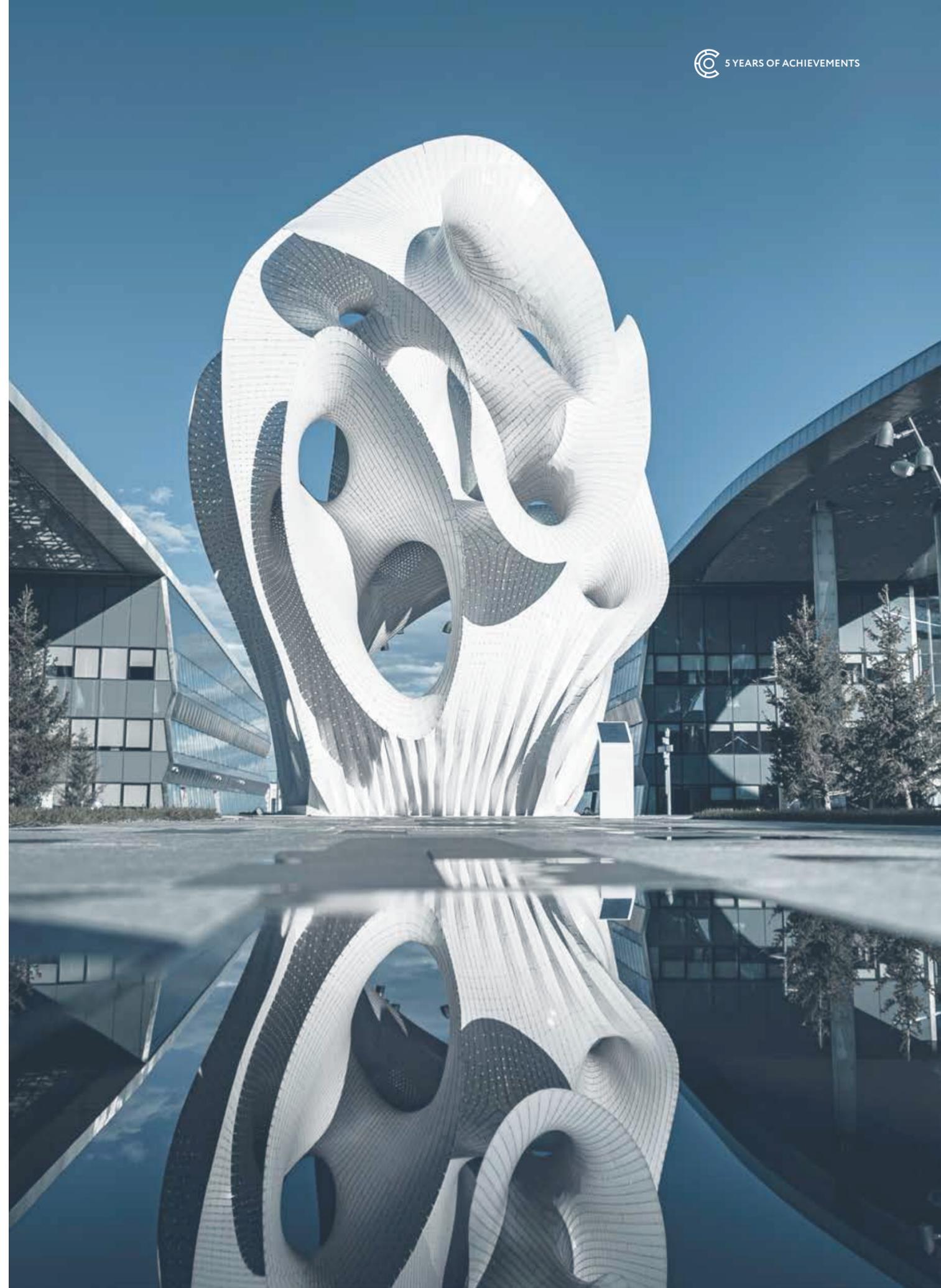
To ensure a reliable legal and regulatory framework, more than 80 AIFC General Legal Framework Acts and Financial Services Framework Acts were adopted. Based on international standards and leading practices, these acts are well known and understandable to the global investment community.

Today, the AIFC platform offers extensive access to capital, a wide range of financial services and investment instruments and favourable tax, visa and labour regimes that help attract companies to the AIFC.

More than 1,700 participants from 70 countries, including leading international investment institutions, financial corporations and banks, recognise the advantages and uniqueness of the AIFC ecosystem.

The existing conditions for providing various kinds of services and doing business contributed to the formation and recognition of Astana as a leading regional financial centre, investment hub and the main destination for investors and market participants from around the world.

The AIFC and the city of Astana serve as a one-stop-shop for global investors by providing access to financial and professional services and investment facilities, as well as a bridge for businesses in the region to enter international markets. The AIFC's legal framework and jurisdiction, based on common law, are well known and familiar to international companies.



A UNIQUE ECOSYSTEM AND TRUSTED INSTITUTIONS

The AIFC ecosystem is based on the AIFC Bodies as defined by the Constitutional Statute 'On the AIFC'. A number of key organisations have also contributed to the development of the AIFC's strategic activities.



AIFC MANAGEMENT COUNCIL

AIFC Management Council is the supreme governing body of the AIFC chaired by the President of the Republic of Kazakhstan. 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 for financial services.

AIFC GOVERNOR

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

AIFC BODIES

Authority

AIFC Authority formulates the centre's development strategy and drafts acts on matters unrelated to the regulation of financial services. To spur the AIFC's integration into the global financial architecture, the AIFC Authority also establishes links with international financial centres, institutions and investment companies.

AFSA

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

Court

AIFC Court is the court for commercial dispute resolution within the AIFC. With 9 highly experienced judges and a registrar from the common-law world, the court has exclusive jurisdiction for commercial disputes. It does not have jurisdiction for criminal or administrative disputes.

IAC

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

AIFC ORGANISATIONS



Astana International Exchange (AIX) 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. It has also created a platform to finance the growth of private businesses and the economy as a whole.



Green Finance Centre (GFC) was established to attract investments into the sustainable economy of Kazakhstan and the Central Asian region by using green and sustainable financing tools and providing strategic and business consulting services to the public and private sectors.

Tech

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

BCPD

Bureau for Continuing Professional Development (BCPD) promotes the development of human capital within the AIFC ecosystem and beyond by creating digital educational platforms for continuous development, formation and support of professional communities, accessible expertise and open dialogues with market professionals.

AIFC KEY MILESTONES

STAGE 1 – ESTABLISHMENT OF THE AIFC (2015–2017)

2015

- **MAY**
 - Decree of the President of the Republic of Kazakhstan ‘On the Astana International Financial Centre’ dated May 19, 2015 is signed.
- **DECEMBER**
 - Constitutional Statute of the Republic of Kazakhstan ‘On the Astana International Financial Centre’ dated December 7, 2015 is adopted.
 - The AIFC Authority is established.
 - Decree of the President of the Republic of Kazakhstan ‘On Defining the Boundaries of the Territory of the Astana International Financial Centre’ dated December 31, 2015 is signed.
 - Decree of the President of the Republic of Kazakhstan ‘On Approval of the Statute on the AIFC Management Council and its Composition’ dated December 31, 2015 is signed.

2016

- **MAY**
 - The AIFC Management Council determines the AIFC Development Strategy and the Structure of the AIFC Bodies.
 - Panel session ‘International Experience of Economic Growth: Mechanisms and Instruments for the Development of the Astana International Financial Centre’ is held during the Astana Economic Forum 2016.
 - The 29th plenary session of the Foreign Investors’ Council, chaired by the President of the Republic of Kazakhstan, is dedicated to the establishment and development of the AIFC.

2017

- **JANUARY**
 - The Astana Financial Services Authority (AFSA) is established as the independent regulatory body for financial services and related activities in the AIFC.
- **FEBRUARY**
 - The AIFC Legal Advisory Council is established.
- **MARCH**
 - The Constitution of the Republic of Kazakhstan is complemented with the provision on establishment of a special legal regime in the financial sphere within the city of Astana.
 - The AIFC Bureau for Continuing Professional Development (BCPD) is established.
- **OCTOBER**
 - The AIFC Expat Centre is established.
- **NOVEMBER**
 - The Astana International Exchange (AIX) is established.
 - The AIFC adopts the Green Finance Concept and Strategy.
 - The AIFC Advisory Council on FinTech is established.
- **DECEMBER**
 - The AIFC Court and International Arbitration Centre (IAC) are established.
 - The Shanghai Stock Exchange and Nasdaq become AIX strategic partners.
 - AFSA becomes a full member of the Islamic Financial Services Board (IFSB) and the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI).
 - The AIFC General Legal Framework and Financial Services Framework is adopted.

STAGE 2 – FORMATION AND DEVELOPMENT OF THE AIFC (2018–2022)

2018

- **JANUARY**
 - The AIFC is officially launched.
- **FEBRUARY**
 - The AIFC becomes a member of the General Council for Islamic Banks and Financial Institutions (CIBAFI).
 - AFSA and the China Securities Regulatory Commission (CSRC) signed the first Memorandum of Understanding.
 - AFSA and the Financial Services Regulatory Authority (FSRA) of Abu Dhabi Global Market (ADGM) signed a Memorandum of Understanding to cooperate in the field of fintech.
 - The AIX adopts Business Rules containing provisions for green and Islamic financial instruments.
- **MARCH**
 - The AIFC Advisory Council on Islamic Finance is established.
 - FinTechStars Acceleration international program is launched in partnership with Seedstars.
- **APRIL**
 - AFSA is accepted as an associate member of the International Organization of Securities Commissions (IOSCO).
- **JUNE**
 - The AIFC Green Finance Centre (GFC) and AIFC Advisory Council on Green Finance are established.
- **JULY**
 - The official launch of the AIFC is held with the participation of the President of the Republic of Kazakhstan.
 - The AIFC holds the first Astana Finance Days (AFD) international conference.
 - The AIFC becomes a founding member of the World Alliance of International Financial Centers (WAIFC).

- **SEPTEMBER**
 - The AIFC receives three awards at the Global Islamic Finance Awards (GIFA 2018).
- **OCTOBER**
 - AIFC holds the first World Investor Week initiated by IOSCO.
 - Goldman Sachs becomes an AIX partner.
- **NOVEMBER**
 - Trading is officially launched on the AIX – IPO of the national company Kazatomprom.
 - The AIX becomes a member of the Federation of European and Asian Stock Exchanges (FEAS).
 - AFSA is accepted as a member to the International Association of Insurance Supervisors (IAIS).
 - AFSA joins the Group of Banking Supervisors from Central and Eastern Europe (BSCEE), the regional group of Basel Committee on Banking Supervision (BCBS).
 - Silk Road Fund becomes an AIX partner.
- **DECEMBER**
 - The AIX Belt and Road Market is established.

2019

- **JANUARY**
 - AFSA launches the Global Financial Innovation Network (GFIN) in partnership with global regulators.

○ **JANUARY**

– AFSA launches the Global Financial Innovation Network (GFIN) in partnership with global regulators.

○ **FEBRUARY**

– The United Kingdom’s HM Revenue and Customs (HMRC) grants the AIX with ‘recognised stock exchange’ status.
– The AIFC Court and International Arbitration Centre launch a new e-filing system, eJustice.

○ **MARCH**

– The direct investment fund ‘Kazakhstan Investment Development Fund’ and asset management company for investment management are established.
– Astana, the capital of Kazakhstan, climbs to 51st out of 102 in the Global Financial Centres Index (GFCI 25), ranking first in the region of Eastern Europe and Central Asia.

○ **APRIL**

– The AIFC Advisory Panel on Legal Regulatory Matters is established.
– The large Russian mining company Polymetal becomes the first foreign issuer to list on the AIX.
– The AIFC FinTech Hub is established.

○ **JUNE**

– The AIFC Central Shari’ah Advisory Board is established.

○ **JULY**

– AFSA becomes a signatory to the IOSCO Multilateral Memorandum of Understanding concerning Consultation and Cooperation and the Exchange of Information (IOSCO MMoU).
– The second Astana Finance Days international conference is held.

○ **AUGUST**

– AFSA becomes a member of the Asian Forum of Insurance Regulators.

○ **SEPTEMBER**

– The Rt. Hon. The Lord Woolf CH, the first Chief Justice of the AIFC Court, officially presents his book, *A Vision of the AIFC Court*.

● **2020**

○ **FEBRUARY**

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

○ **MARCH**

– The first Islamic securities (sukuk) of Qatar International Islamic Bank are listed on the AIX.
– The first RMB-denominated bond in Kazakhstan is listed on the AIX Belt and Road Market.

○ **APRIL**

– AFSA introduces financial market support measures in response to the global COVID-19 pandemic.

○ **MAY**

– The AIFC Advisory Council on the Development of LegalTech is established.

○ **JULY**

– The AIFC Management Council determines new AIFC Development Strategy until 2025.
– The third Astana Finance Days international conference is held.
– The AIX launches the Regional Equity Market Segment (REMS).
– The AIFC Authority launches an eResidence digital platform for AIFC participants.

○ **AUGUST**

– Damu Entrepreneurship Development Fund lists the first green bonds on the AIX.
– The AIX becomes an eligible trading venue for FTSE Frontier Index Series.

○ **SEPTEMBER**

– AFSA becomes the 75th member to a global agreement on cross-border cooperation in insurance markets (IAIS MMoU).
– The IAC Arbitration and Alternative Dispute Resolution Summit 2020 is held.
– The 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**

– The IPO of Kaspi.kz, a Kazakh fintech company, is held on LSE and AIX.

○ **NOVEMBER**

– AFSA joins an elite club of the signatories of enhanced Multilateral Memorandum of Understanding (MMoU) of IOSCO, allowing global cross-border enforcement cooperation on freezing assets, compelling testimony and exchanging audit papers.

○ **DECEMBER**

– The AIFC Expat Centre welcomes its 10,000th service customer.
– The AIX launches Tabys trading application for retail investors.
– The AIX holds the cross-listing of sukuk of the Islamic Development Bank (IsDB) (green sukuk, sustainability sukuk and traditional sukuk).
– Islamic Finance Master plan for the Republic of Kazakhstan until 2025 is developed under the technical assistance of the Islamic Development Bank (IsDB).

● **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 1st in the region of Eastern Europe and Central Asia and 57th in the world.

○ **MAY**

– The 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 fourth Astana Finance Days international conference is held.
– The World Economic Forum’s Affiliate Centre for the Fourth Industrial Revolution (C4IR) in Kazakhstan is officially launched at the AIFC.
– The 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.
– The AIX launches AIX Qazaq Index, which measures the performance of the shares of Kazakhstani-linked companies.

○ **SEPTEMBER**

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

○ **OCTOBER**

– The first green loan is approved in Kazakhstan with the support of the GFC.
– The AIFC registers its 1,000th participant.

○ **NOVEMBER**

– The National Bank of Kazakhstan, the Agency for Regulation and Development of Financial Market and AFSA 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 support of the GFC.
– National company Samruk-Energy lists the largest green bonds on the AIX with the support of the GFC.

○ **DECEMBER**

– The AIX introduces a new service: direct listing of shares.
– AFSA hosts a high-level meeting on regulatory cooperation in Central Asia, which leads to adoption of the Joint Declaration on Regulatory Cooperation in Central Asia.

2022

JANUARY

- The International Capital Markets Association (ICMA) includes the AIFC Green Finance Centre in its External Review Service Mapping, which contains information on verifiers of green, social and sustainable development bonds.
- The AIX Central Securities Depository (AIX CSD) and the Euroclear Bank launch a new Enhanced Settlement Service.

FEBRUARY

- The AIFC Green Finance Centre may provide an external review for the London Stock Exchange Sustainable Bond market bonds.

MAY

- The capital of Kazakhstan enters the top 50 of the Global Green Finance Index, maintaining leadership in the region of Eastern Europe and Central Asia.
- AIFC GFC and partners establish the subsidiary company GFC Bishkek in Kyrgyzstan.
- The AIFC Legal Services Regulations is adopted and the AIFC Legal Services Board is established.

JUNE

- The fifth anniversary of the Astana Finance Days international conference is celebrated.
- The pilot project on collaboration of AIFC crypto exchanges with Kazakhstani commercial banks is officially launched.
- Exchange Traded Notes tracking the performance of Kazakhstani banks are listed on the AIX.
- The first Shari'ah compliant Exchange Traded Notes are listed on the AIX.
- The AIFC announces the launch of BRI Investment Council.

JULY

- The AIFC GFC is included in the list of accredited verifiers by an international organisation that defines green finance standards globally, the Climate Bonds Initiative.

AUGUST

- The Organisation for Economic Co-operation and Development (OECD) recognises that the tax regime of the AIFC complies with global standards of tax transparency.

SEPTEMBER

- The AIFC Investment Tax Residency Programme is officially launched.
- AFSA and the Financial Monitoring Agency of Kazakhstan (AFM) agree to cooperate in anti-money laundering, combatting the financing of terrorism, and proliferation of weapons of mass destruction (AML/CFT).

OCTOBER

- The AIFC holds the World Investors Week themed 'Sustaining Resilience Investing' under the auspices of the IOSCO.

NOVEMBER

- Exchange Traded Notes with exposure to global real estate market are listed on the AIX.
- The AIFC hosts a high-level meeting of Central Asia's financial regulators.
- Bank of Asia issued the first gender bonds of Kyrgyzstan with the support of the AIFC GFC.

DECEMBER

- The IPO of the national company KazMunayGas is held on the AIX.
- With the support of the AIFC GFC, an EAEU model taxonomy (criteria for green projects) is developed.

APPRECIATION AND RECOGNITION

The results of the first five years of activity indicate that the AIFC is fully established as an international financial centre. It is recognised on the global financial map, and the results of its work are highly appreciated by the global financial and investment community

A few years after the AIFC's launch, the centre took a leading position among the financial centres of the Eastern Europe and Central Asia region and a high position in the Global Financial Centres Index (GFCI), which indicates a favourable business climate and high confidence from foreign investors.

Despite the formation of the financial centre coinciding with the high turbulence in world markets caused by the COVID-19 pandemic and a complicated geopolitical situation in the region that resulted in capital outflow from emerging markets, the AIFC managed to become an effective platform for the development of financial services and attracting investments for Kazakhstan and all countries in the vast Central Asian region, the EAEU and the countries of the Belt and Road Initiative.

We see progress in all areas of development due to our jurisdiction and unique selling points. Today, the AIFC is a platform for conducting large IPOs for national and private companies, issuing government and corporate bonds, and structuring and financing large investment transactions on a country and regional scale.

Since its launch and with the active support of the country's government, the financial centre has become a platform for attracting portfolio investments and direct investments into Kazakhstan that are now worth more than USD 7.9 billion. In addition, more than 1,700 companies from 70 countries, ranging from global companies to local start-ups, have become participants of the AIFC.

The AIFC Court and the International Arbitration Centre continue to play a fundamental role in strengthening investors' confidence and effectively resolving civil and commercial

disputes in the region. These institutions have handled an unprecedented number of court and arbitration cases for a financial centre at this stage of its operations. AFSA is well recognised internationally for implementing high regulatory standards, while the AIX has become an effective world-class stock exchange offering a wide range of investment instruments.

We can say with confidence that the centre has made significant contributions to the economic development of Kazakhstan. We have created a world-class infrastructure, a legal and regulatory framework recognised by the global community and a favourable environment that supports the country's economic priorities, the development of financial institutions and the business community.

At this same time, the AIFC is developing new products, networking with international partners and professional communities from different countries, improving regulatory activities, attracting major investors to the country's economy and putting forth new ideas within the framework of regional integration.

By continuing to provide strategic support to the participants in the AIFC ecosystem, we will do our best to contribute to the sustainable growth of the economy of Kazakhstan and the region. In the long term, the AIFC aims to become one of the world's top 30 financial centres.



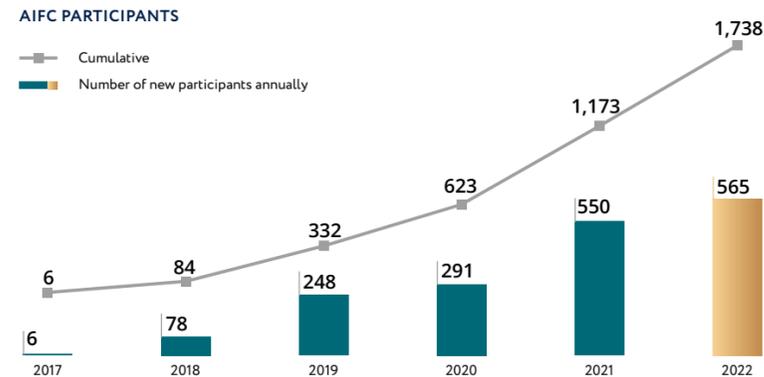
5 YEARS OF ACHIEVEMENTS

>1,700

AIFC PARTICIPANTS

AIFC Participants

The number of registered AIFC participants has increased significantly since the centre launched official operations in 2018. The centre achieved a record-high among the world's early-stage financial centres with 565 new participants (up 49%) joining the AIFC ecosystem in 2022.

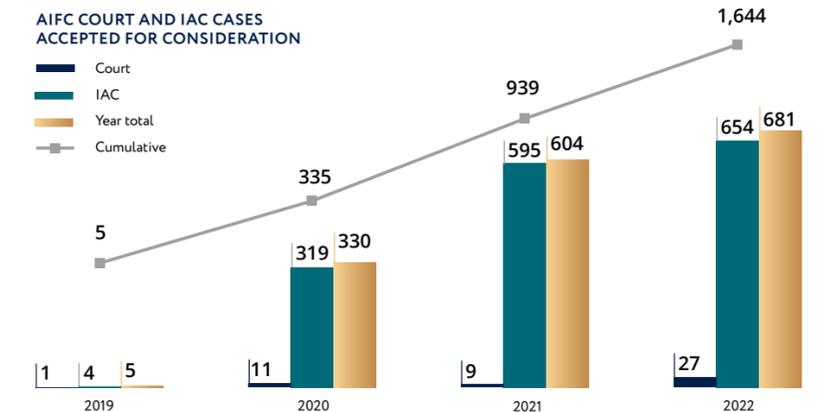


AIFC Court and IAC Cases Accepted for Consideration

Since the beginning of their activities, the AIFC Court and IAC have accepted 59 court and 1,585 arbitration and mediation cases – unprecedented numbers for dispute resolution institutions at an international financial centre that have been operating for only five years. In 2022, 697 new cases (up 75%) were considered by the AIFC Court and IAC. All court judgements and arbitration awards were enforced within the territory of the Republic of Kazakhstan to 100% satisfaction.

1,644

COURT, ARBITRATION AND MEDIATION CASES ACCEPTED FOR CONSIDERATION BY THE AIFC COURT AND IAC

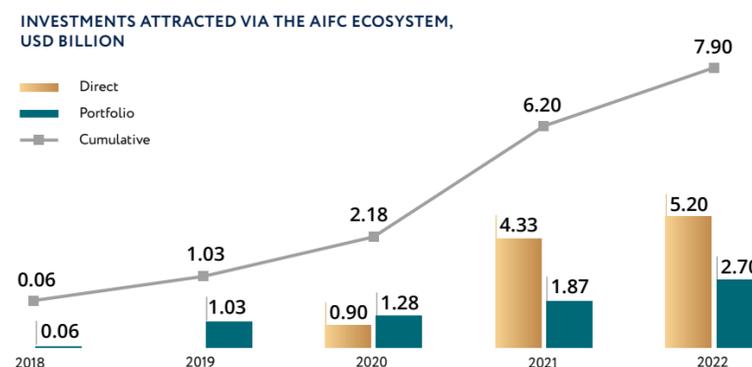


Investments Attracted via the AIFC Platform

Over five years, the volume of portfolio investments attracted via the AIFC platform amounted to USD 2.7 billion, and the volume of investments of AIFC participants amounted to USD 5.2 billion for a total of USD 7.9 billion. In 2022, AIFC increased the volume of attracted investments by USD 1.7 billion (up 27%).

>\$7.9 BILLION

AMOUNT OF INVESTMENTS ATTRACTED VIA THE AIFC PLATFORM



Business Contracts with the AIFC Court and IAC Model Dispute Resolution Clauses

The number of companies recognising the AIFC Court and IAC as the number one choice for dispute resolution is growing at an increasing pace. Among these companies are the industry leaders, quasi-state and private sector companies of Kazakhstan. In 2022, the number of such companies increased by 31%.

>7,500

BUSINESS CONTRACTS, WHERE THE AIFC COURT AND IAC MODEL DISPUTE RESOLUTION CLAUSES WERE INCLUDED

BUSINESS CONTRACTS WITH THE AIFC COURT AND IAC MODEL DISPUTE RESOLUTION CLAUSES



43

COMPANIES
LICENSED
AT THE AFSA
FINTECH LAB

Total number of companies licensed at the AFSA FinTech Lab

The FinTech Lab regulatory sandbox has become a popular platform for tech pioneers from around the world to test their innovative financial products and services without the full burden of regulatory requirements. The number of companies that applied to operate in the regulatory sandbox over the years has totalled more than 290 companies.

The number of services provided by the Expat Centre

The Expat Centre provides foreign nationals with access to an ample variety of government and socially oriented soft-landing services in English (over 500 services). The number of services provided to foreign nationals on a one-stop-shop basis grows annually.

21,000

SERVICES
RENDERED AT
THE AIFC EXPAT
CENTRE

The AIFC financial sector's assets

The AIFC financial sector's assets include investment and insurance companies as well as the banking sector.

\$884
MILLION

VOLUME OF AIFC
FINANCIAL SECTOR'S
ASSETS

>16,500

RETRAINED
PROFESSIONALS
AT THE AIFC BCPD

The Bureau of Continuing Professional Development

The Bureau of Continuing Professional Development (BCPD), a leader in the professional certifications and digital education market, provides the best international practices to develop human capital and create a pool of local professionals with international recognition.

T50
BILLION

TAXES GENERATED
THROUGH AIFC
ECOSYSTEM

The total direct tax payments from the AIFC ecosystem

Amid the growing business activity of the AIFC participants, the total direct tax payments to the country's budget from the participants of the AIFC ecosystem have reached its highest values as 2022 was a record year for taxes paid (KZT 25 billion).

The number of newly created jobs in the AIFC ecosystem

Since its establishment, the AIFC has paid special attention to the development of human capital and local professionals who meet the highest standards.

+6,500

NEWLY CREATED
JOBS

GLOBAL AND REGIONAL RECOGNITION OF THE AIFC

1-st

JURISDICTION IN THE CENTRAL ASIAN REGION, BASED ON THE PRINCIPLES OF COMMON LAW

The AIFC provides a special legal regime based on the principles, legislation and precedents of the law of England and Wales, as well as on the standards of the leading global financial centres. All AIFC bodies and organisations, including the AIFC Court, International Arbitration Centre, AFSA, AIX, as well as AIFC participants apply a legal regime based on common law.

1-st

FINANCIAL REGULATOR IN CENTRAL AND EASTERN EUROPEAN REGION, CENTRAL ASIA AND THE CAUCASUS

AFSA became the first regulator in the region to sign an enhanced Multilateral Memorandum of Understanding on Consultations and Cooperation and Information Exchange of the International Organization of Securities Commissions (IOSCO EMMoU), which allows for cross-border cooperation in the field of law enforcement and proper compliance with securities laws and regulations.

1-st

REGULATORY SANDBOX IN CENTRAL ASIAN REGION

The AIFC is the first in the region to introduce a highly international fintech regulatory sandbox, a tailored live environment where firms can test innovative fintech products and services without the full burden of regulatory requirements. FinTech Lab has become popular for start-up projects offering innovative digital financial products and services that are not regulated by national legislation. After successful testing, companies can be licensed by AFSA to operate on the open market.

1-st

PLATFORM IN CENTRAL ASIAN REGION TO ESTABLISH A FAVOURABLE REGIME FOR REGULATING DIGITAL ASSETS

As part of an integrated digital ecosystem development, AFSA is vested with the legal authority to organise the issuance, placement and turnover of unsecured digital assets (cryptocurrencies) on the territory of the financial centre. At the same time, the turnover and release, apart from mining, of unsecured digital assets on the territory of the Republic of Kazakhstan (except for the territory of the AIFC) is prohibited.

1-st

ISLAMIC FINANCE PLATFORM IN THE CENTRAL ASIAN AND CIS REGIONS

The AIFC provides favourable conditions for the development of the local market for Islamic finance and the localisation of the world's leading Islamic financial institutions on the site of the centre. An attractive regulatory framework and trading infrastructure allows for a wide range of Islamic financial transactions, such as Islamic banking, provision of services through an Islamic 'window', Islamic finance, insurance, management of Islamic funds and the issuance of securities, including Islamic sukuk.

1-st

PLATFORM FOR THE DEVELOPMENT OF GREEN AND SUSTAINABLE FINANCE IN KAZAKHSTAN, CENTRAL ASIA AND THE EAEU REGION

The Green Finance Centre (GFC) is actively working on the promotion of sustainable financing, offering strategic solutions to the government, financial institutions and companies. It assists with using green and sustainable finance instruments, such as green, social bonds, and bonds of a wider range. With the GFC's support, the total volume of the sustainable financing market in Kazakhstan exceeded USD 400 million (about KZT 180 billion).

The AIFC's awards and memberships in prestigious international associations, organisations and global indices are evidence of a high assessment of the financial centre's activities.

THE INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSIONS (IOSCO)

In 2018, AFSA became an associate member of the International Organization of Securities Commissions (IOSCO). Later, AFSA signed prestigious Multilateral Memorandums of Understanding on Consultations, Cooperation and Information Exchange (IOSCO MMoU, EMMoU). These agreements created a global framework for international cross-border cooperation and exchange of information on securities between regulatory authorities.

INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS (IAIS)

In 2020, AFSA became a signatory to the Multilateral Memorandum of Understanding of the International Association of Insurance Supervisors (IAIS MMoU). The global agreement was developed in 2007 to ensure cooperation, exchange of information and supervision of insurance companies between insurance regulators.

WORLD ALLIANCE OF INTERNATIONAL FINANCIAL CENTERS (WAIFC)

AIFC became a founding member of the World Alliance of International Financial Centers, established in 2018. This global organisation represents the interests of 19 leading international financial centres on four continents and promotes their cooperation and exchanges of best practices. Observers of the association are the state bodies, associations and similar institutions that develop and promote their financial centres.

WORLD FEDERATION OF EXCHANGES (WFE)

In 2021, the AIX was accepted as a full member of the global industry association of exchanges and clearing centres, which unites more than 250 market infrastructure participants, including nearly 70 exchanges from around the world, as full members of the federation. The organisation's purpose is to support and promote the development of fair, transparent, stable and efficient securities markets.



PLATFORMS FOR THE MUTUAL EXCHANGE OF IDEAS

For the past five years, the AIFC has steadily become a platform for holding major regional conferences and events on current topics with the participation of the following: strategic partners; international experts; representatives of global development institutions, government authorities, businesses, professional and scientific communities; and AIFC participants. These conferences serve as effective platforms to engage in discussions, exchange experiences and explore expert opinions on contemporary issues of economics, business, finance, innovation and technology.

ASTANA FINANCE DAYS (AFD)

The largest regional financial conference, Astana Finance Days, the AIFC's flagship event, has been held annually since 2018. Over these past years, the conference has attracted more than 20,000 participants from 100 countries. Heads of state and international organisations, laureates of prestigious awards, foreign politicians, experts from academia and think tanks, and representatives of the business community have taken part in these events.

The AFD hosts key panel discussions, official launch ceremonies of the AIFC's new products and services, innovative solutions, exhibitions and forums. Previous conference topics have included modern global and regional challenges on economic development, sustainability, social responsibility, the rule of law, digitalisation and innovation.

The following forums and conferences are held within the framework of the AFD:

- Capital Markets Forum
- AIFC Law Conference
- Regulatory Landscape Forum
- Green Growth Forum
- Fin & Tech Forum

WORLD INVESTORS WEEK (WIW)

World Investors Week is held annually by regulators in 100 countries under the auspices of the International Organization of Securities Commissions (IOSCO), an international organisation that unites the world's securities regulators. IOSCO members regulate more than 95% of the world's securities market in more than 115 jurisdictions. Hosting of the WIW reflects AFSA's adherence to the IOSCO goals and standards on consumer protection in financial services. Thematically, the WIW at AIFC is devoted to raising awareness of investors' resilience, education, and protection and risks.

Over 18,000 people from Kazakhstan and 30 countries have taken part in this annual conference at the AIFC. More than 30 sessions are held within the framework of various forums dedicated to the basics of investment, green and sustainable finance, ESG, Islamic finance, digital assets, fraud prevention and others. The speakers at the events are AIFC experts as well as local and foreign experts in financial markets.

FINANCIAL CENTRES FOR SUSTAINABILITY (FC4S)



Since 2017, the AIFC has been a founder of a collective of international financial centres working together to achieve the Sustainable Development Goals and the Paris Agreement. The network consists of 39 members. FC4S's core mission is to empower financial centres to accelerate the expansion to sustainable finance by providing the tools and insights to engage local institutions, inform and influence policy and ultimately accelerate market transformation.

THE GLOBAL FINANCIAL CENTRES INDEX (GFCI)



The city of Astana was initially featured in the GFCI ranking in 2018, and its inclusion was attributed to the full-fledged operations of the AIFC. The rating is compiled on the basis of experts' assessments and considers more than 150 macroeconomic indicators from organisations such as the World Bank, the UN, the OECD and the Economist Intelligence Unit. The GFCI includes criteria such as business environment, financial sector development, infrastructure, human capital, reputation and general factors. In 2019, for the first time the AIFC reached 51st place out of 100 and 1st place in the Eastern Europe and Central Asia region.

GLOBAL ISLAMIC FINANCE REPORT (GIFR)



GLOBAL ISLAMIC ECONOMY INDICATOR (GIEI)



For the first time in history, the AIFC's initiatives aimed at the development and promotion of the Islamic finance industry have allowed Kazakhstan to enter the prestigious global rankings in this area. According to the Global Islamic Finance Report (GIFR), Kazakhstan ranks 18th in the index, ahead of countries such as the UK, the USA, Singapore, China, as well as 14th position in the Global Report on the Islamic Economy (GIEI) index. These indices assess the levels of development of the sectors of the Islamic economy, Islamic banking sector and financial regulation.

THE GLOBAL GREEN CENTRES INDEX (GGCI)



Astana/AIFC entered the Global Green Finance Index in 2021, taking 57th place in the world ranking and a leading position in the Eastern Europe and Central Asia region, which it still retains, ahead of Prague, Warsaw and Istanbul. The index reflects the progress of global financial centres towards a financial system that ensures sustainable development and evaluates the social and environmental aspects of development.

GLOBAL FINTECH INDEX (GFI)



Given the AIFC's continuous efforts to develop the fintech ecosystem, in 2021, Kazakhstan entered the Global Fintech Index for the first time. Kazakhstan ranked 13th among the countries of the Asia-Pacific region and 66th at the global level. The rating evaluates countries in terms of local infrastructure development, favourable regulatory environment and the whole ecosystem.

FINANCIAL TIMES STOCK EXCHANGE INDEX (FTSE)



In 2020, FTSE Russell, a subsidiary of the London Stock Exchange (LSEG), recognised the AIX as an eligible trading venue that complies with the Ground Rules of the FTSE Frontier Index Series. The inclusion of the AIX to the FTSE Frontier Index list will assist in achieving the country's medium-term objective of achieving Secondary Emerging Market status. As of the end of 2022, the weight of Kazakhstan in the FTSE Frontier Index has reached 3.18% (USD 3.2 billion).

AWARDS



- The AIFC has received the most prestigious award in Islamic finance – Global Islamic Finance Award (GIFA) – for its contributions to the institutional support, policy and human capital development.
- The AIFC was honoured to receive the Asiamoney New Silk Road Finance Award and was recognised as the best project under the BRI Initiative.

> 20,000

participants from 100 countries have attended AFD since 2018.

> 18,000

participants from 30 countries have attended the WIW since 2018.

AIFC GLOBAL PARTNERSHIPS



The AIFC is constantly expanding its global network of partners, which currently comprises more than 80 organisations and associations from 25 countries. Partners include local and international regulators, international financial centres, financial development institutions, international associations, stock exchanges, multinational payment corporations, investment banks, and audit and consulting groups. Such cooperation ensures mutually beneficial interactions, information and best practice exchanges and helps maintain the best regulatory standards and practices to foster greater growth in financial markets in the region and around the world.





02. AIFC – the main destination for business

C 3.1
IFC Court & IAC

INVESTMENT OVERVIEW

Kazakhstan remains a stable and trustworthy partner for foreign investors. Although the geopolitical situation in the region is tense, the national economy is maintaining its resilience, as the government consistently strengthens measures to support and attract foreign capital.

Ever since gaining independence in 1991, attracting investments is one of the main priorities and fundamental factors for enabling the economic growth and development of Kazakhstan. According to the official data, the cumulative amount of foreign direct investment (FDI) into Kazakhstan has totalled USD 420 billion, thus confirming Kazakhstan's status as the largest economy and receiver of FDI in Central Asia (70% of total investments in the region).

Over the last decade, FDI has remained at a relatively stable high level, due to the development of both extracting and non-extracting sectors of the economy (e.g. infrastructure, auto manufacturing, agriculture, pharmaceuticals, building, transport and logistics). Currently, around 50,000 enterprises are registered with the involvement of foreign capital.

In 2022, the geopolitical instability led to the triple crises – food, fuel and finance¹ – that altered the global investment climate significantly and affected the volumes of investments on the global and regional levels.

Kazakhstan still attracted almost USD 28 billion in FDI (18% growth compared to 2021) and retained the strong and stable interest of foreign investors. The FDI into the non-primary sectors of the economy showed a growth trend with foreign participation in 46 investment projects in mechanical engineering, renewable energy, metallurgy, agro-industrial complex and others.

Kazakhstan offers comprehensive support for the implementation of investment projects, including fiscal and non-fiscal measures, with 13 special economic zones and 36 industrial zones functioning in the country. The top 10 countries with the largest amount of investment into Kazakhstan's economy remained almost unchanged. The Netherlands, the USA, Switzerland, Belgium, Russia, South Korea and China account for almost 80% of the total volume of FDI.

Today, the government of Kazakhstan is tasked to increase the amount of the foreign investments into the economy, and state parties are providing the necessary conditions. An effective macroeconomic policy is being pursued aimed at diversifying the economy through investment programmes and developing competition, improving the investment climate by ensuring the rule of law and reducing state participation through the privatisation of national companies. At the same time, new approaches are being taken to improve state support for investors, changes in tax policies and preferences, including within investment agreements, to support large strategic projects.

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 CIS region with an 'investment-grade' business environment.

The government is improving the investment climate by adhering to the best international standards and focusing on the creation of a strong and competitive business environment. To improve the investment ecosystem in 2022, the government has adopted a new Concept of Investment Policy of the Republic of Kazakhstan until 2026, which provides for a set of measures aimed at increasing investment in the manufacturing industry, production of high value-added goods, as well as stimulating investment in sustainable development projects in the context of increasing ESG standards, and global energy and technological transitions. With its ongoing initiatives on green finance, proactive ESG approach and contributions to the digital transformation of the economy, the AIFC actively participates in the implementation of the policy to achieve Kazakhstan's investment priorities.

Today, Kazakhstan has advisory bodies operating at the state level, such as the Foreign Investors' Council (FIC) chaired by the President of Kazakhstan, as well as the Coordinating Council on Investment Attraction (Investment Council) chaired by the Prime Minister of Kazakhstan, who also serves as an investment ombudsman. These dialogue platforms allow for the discussion of problematic issues for investors, practical questions related to the implementation of investment projects and the adoption of systematic measures to resolve them.

In the long term, Kazakhstan aims to maintain and consolidate its role as a leading investment hub in the region with the support of the AIFC. A strategically advantageous geographic location, membership in international alliances, such as the Eurasian Economic Union (EAEU), Shanghai Cooperation Organisation (SCO) and Organisation of Turkic

\$420

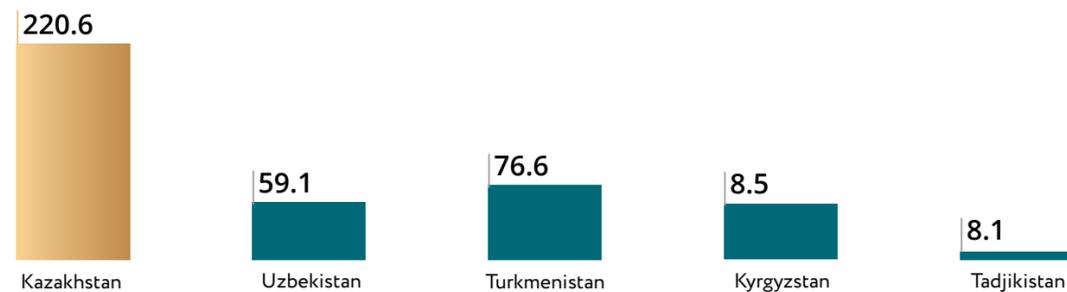
BILLION

the total volume of FDI into Kazakhstan since 1993

States (OTS), and interactions within the framework of the Chinese Belt and Road Initiative determine Kazakhstan's leading role in various industries, including transcontinental trade routes. The country provides unique opportunities for investment in multimodal logistics projects aimed at realising transit and export capabilities. In 2023 alone, the government plans to allocate around KZT 1.3 trillion for the development of Kazakhstan's transport potential.

¹ According to the World Investors Report (World Investors Report 2022, UNCTAD).

GDP OF CENTRAL ASIAN COUNTRIES IN 2022, USD BILLION



FDI INFLOWS TO KAZAKHSTAN, USD BILLION



REGIONAL INTEGRATION

In recent years, we have witnessed the region's rapid development due to increasing integration processes aimed at strengthening economic cooperation and developing large-scale inter-country infrastructure projects within the framework of the Belt and Road Initiative and other regional initiatives that promote economic growth. The emergence of partnerships between countries and long-term agreements to implement them testifies to a higher quality level of regional integration, which requires the development of production cooperation and the creation of value-added chains. In turn, this requires the formation of a full-fledged system for financing investments in the region, and it is here that the AIFC becomes the most appropriate platform for structuring deals involving companies from regional countries and any other country that has an interest in the region.

Overall, the AIFC has several broad regions of interest. First is the Central Asian region, comprising five countries – Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan – with a population of over 75 million. According to international experts, the aggregate potential of the region to attract foreign direct investment over the next 10 years is estimated at up to USD 170 billion, including in non-resource industries at about USD 70 billion². In this context, the AIFC is an effective platform for encouraging direct and portfolio investments into regional projects, as was outlined by the President of Kazakhstan during the Consultative Meeting of Heads of Central Asian States in 2022.

A solid economic foundation for multilateral cooperation remains an urgent task. As we can see, in the context of disrupted production and trade supply chains, the trend toward regionalisation is becoming increasingly pronounced everywhere. Even though during the last five years, Kazakhstan's trade turnover with Central Asian countries has grown by more than 40%, reaching USD 6.3 billion, these figures do not reflect the full potential, which is estimated up to USD 15 billion. Economic cooperation among Central Asian countries is becoming one of the key sources of growth of national economies. Cooperation is taking place through the launch of cross-border trade and economic hubs, industrial cooperation centres, industrial trade and logistics complexes and terminals.

Second, we aim to continue close cooperation within the Eurasian Economic Union (EAEU), a market of over 180 million people and a GDP of over USD 2 trillion. In the face of regional challenges, the countries are taking active economic measures to ensure the sustainability of the Union's economies and develop entrepreneurial,

transport and transit potential. Following the results of the year, the commodity turnover between Kazakhstan and the EAEU's countries increased by 6.5%, reaching more than USD 28 billion. Large-scale joint projects are being implemented, and the number of joint ventures with the EAEU countries in Kazakhstan today involves around 15,000 companies working in industry, construction, trade, services and so on. These factors point to the strengthening of economic ties, development of trade and economic cooperation and strengthening of investment cooperation between the countries, while deepening cooperation with CIS countries, the SCO and other Asian countries is also on the EAEU's agenda.

Third, Eurasian economic integration is being coupled with international Belt and Road Initiative, which links Asia and Europe with a common infrastructure. This initiative, which covers most of Eurasia, currently unites more than 70 countries that represent more than one-third of the world's GDP and two-thirds of the world's population. Kazakhstan, a key country within the Initiative, is actively working on the joint development of transport and logistics projects, transit corridors, and strengthening cooperation in the fields of energy, industry, agribusiness and others. At the same time, Kazakhstan is connecting to Chinese markets not only through physical infrastructure but also through financial and digital infrastructures, which greatly contributes to the diversification of the economies of both Kazakhstan and the region. In this regard, special attention is given to the use of the AIFC site as an investment platform for large-scale projects across the region, including the Trans-Caspian International Transport Route for trade in goods and energy.

AIFC'S ROLES AT THE REGIONAL LEVEL

REGIONAL CENTRE

FOR DIRECT INVESTMENT

with an effective infrastructure for the implementation of investment projects

FOR DISPUTE RESOLUTION

with a common law court and dispute resolution system

FOR THE DEVELOPMENT OF TECHNOLOGY AND INNOVATION

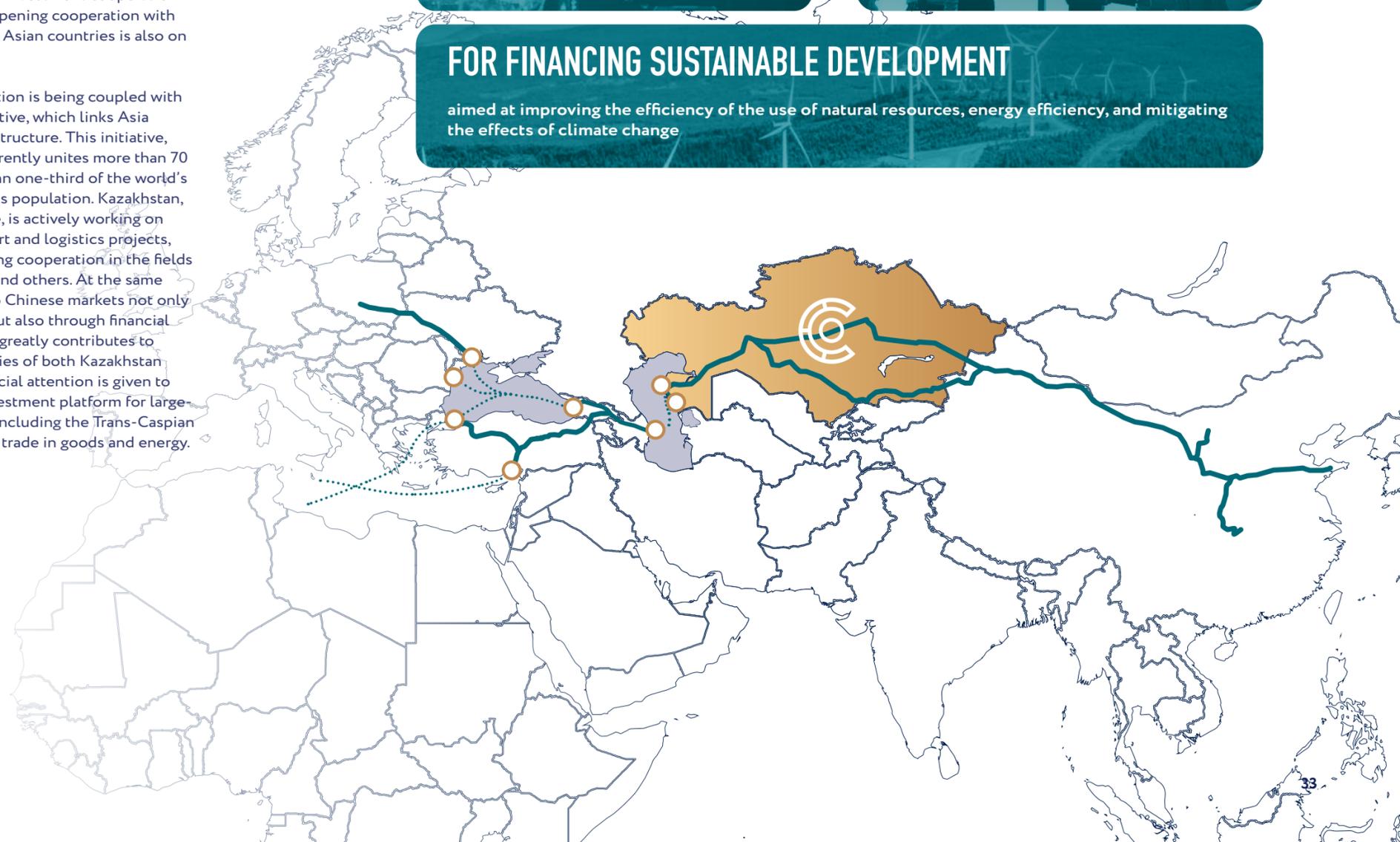
with flexible regulation of innovations and digital transformation

OF COMPETENCE

contributing to the development of human capital in finance, education, and science, and attracting highly qualified personnel from the region

FOR FINANCING SUSTAINABLE DEVELOPMENT

aimed at improving the efficiency of the use of natural resources, energy efficiency, and mitigating the effects of climate change

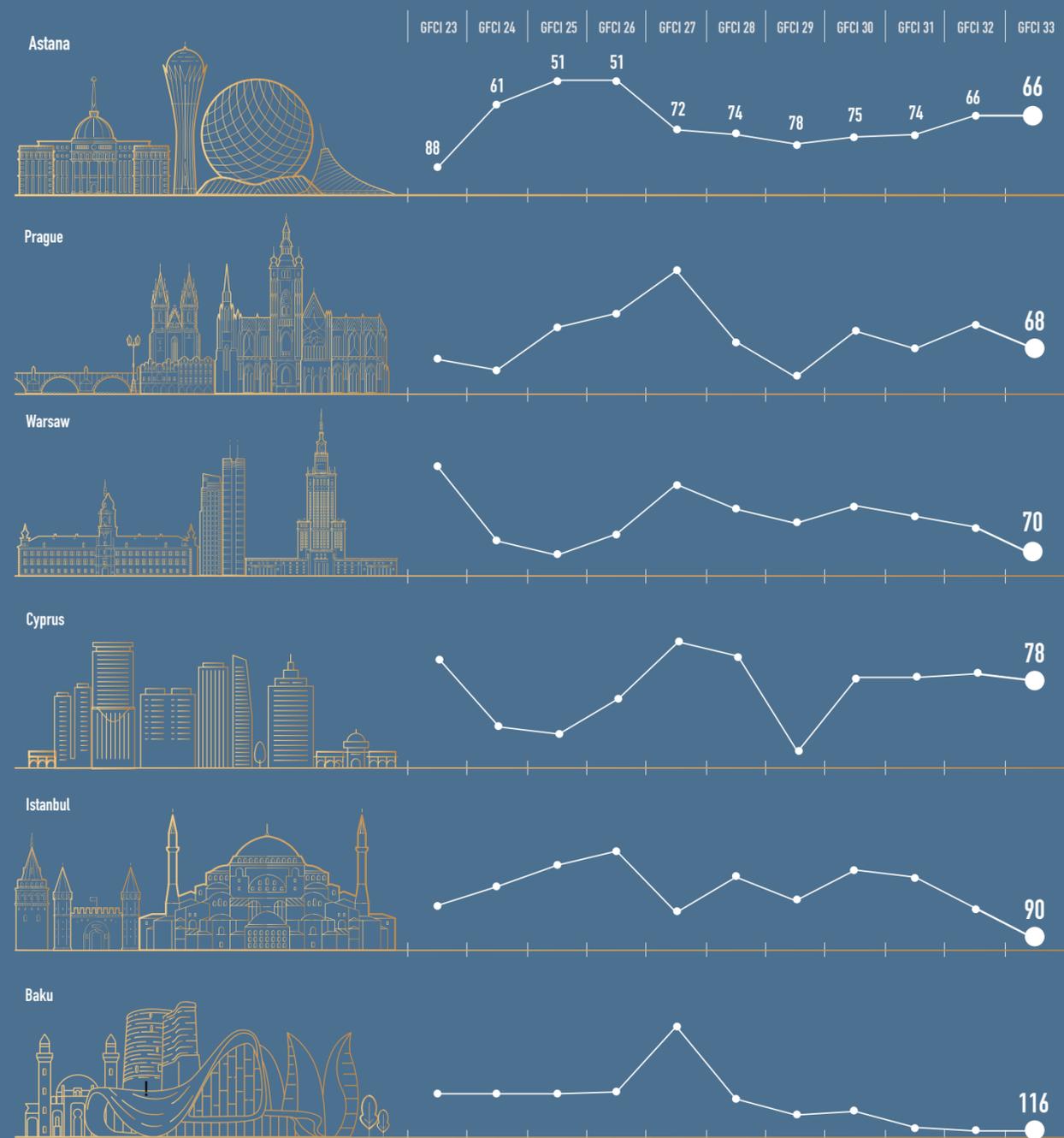


² <https://www.akorda.kz/ru/vystuplenie-na-iv-konsultativnoy-vstreche-glav-gosudarstv-centralnoy-azii-2163148>

INTERNATIONAL RECOGNITION OF ASTANA

GLOBAL FINANCIAL CENTRES INDEX 33 (MARCH 2023)

1st place in the region of Eastern Europe and Central Asia, 66th place globally



'The AIFC is not only the territory with a special status at the capital of Kazakhstan, but it is also a centre for finance, competency, professional development, human capital, green economy and Islamic finance'.

Kassym-Jomart Tokayev
President
of the Republic of Kazakhstan

regulatory regimes, based on the common law, are well known and familiar to international investors.

The role of the AIFC is not only to act as a centre for attracting foreign capital and as a special jurisdiction but also to contribute to the emergence of Astana as a 'Global City'. The centre's activities affect the growth of tourism, consulting, logistics and transportation, hotel business and business tourism. Already, many local companies and developers are striving to place their facilities near the AIFC, which gives them several additional advantages and opportunities.

Nowadays, Astana is in high standing in the global club of financial centres. According to the Global Financial Centres Index (GFCI'33), Kazakhstan's capital city has taken a leading position in the Eastern Europe and Central Asia regions, ahead of Prague, Warsaw, Istanbul and others.

ASTANA – THE DRIVER OF GROWTH

Over the past five years, with the emergence of the AIFC, Astana has become the financial capital of Kazakhstan. Astana has significantly surpassed other cities in the country and the region in the level of development of financial infrastructure, access to capital and concentration of investment resources. Today, Astana is home to many international development institutions, leading financial organisations, national companies, and technological and manufacturing companies, which gives a powerful impetus to the economic development of the city.

The AIFC creates favourable conditions for investors by providing businesses with the opportunity to operate worldwide while being based in Astana. The AIFC's legal and

Astana's convenient location at the heart of the Eurasian continent makes it an economically beneficial transport, communication and logistics centre and a unique bridge between Europe and Asia.



ECOSYSTEM ADVANTAGES

The AIFC aims to create an environment where local and international participants can take full advantage of the unique benefits of the centre.



AIFC LAW AND JURISDICTION

AIFC Acts, as the core of AIFC law, were developed based on the principles, legislation and precedents of the 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.

The AIFC has its own eJustice system that allows parties to file cases online at the AIFC Court and IAC from anywhere around the world without the need to be in Astana.

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

In regulating the AIFC's financial services, AFSA applies the best international standards of the regulation and supervision of financial services, which are espoused by IOSCO, IAIS, BCBS, IFSB, OECD, FATF and others.

Prospective AIFC participants can use the digital system, eResidence, to register companies on the centre's platform.



INDEPENDENT REGULATOR



INNOVATIVE TRADING INFRASTRUCTURE

A world-class stock exchange provides a high-tech trading platform and regulatory environment familiar to the global investment community. The 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.

A choice of the organisational-legal form and type of activity best 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, no minimum share capital is required.
- Multiple forms of funds and the possibility of establishing trusts and foundations.
- An opportunity to re-domicile to the AIFC territory from any jurisdiction.



BUSINESS-FRIENDLY ENVIRONMENT

100%

FOREIGN OWNERSHIP

Within the AIFC, registered entities enjoy 100% foreign ownership.

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



ENGLISH IS THE OFFICIAL LANGUAGE OF THE AIFC



TAX BENEFITS

Tax exemptions until January 1, 2066 apply to:

1) AIFC participants:

- From CIT and VAT on income received from financial services as prescribed by the Constitutional Statute of the Republic of Kazakhstan 'On the AIFC' and the Joint Order of the AIFC, the Ministry of National Economy and the Ministry of Finance of Kazakhstan.
- From the CIT on income received from ancillary services as prescribed by the Constitutional Statute of the Republic of Kazakhstan 'On the AIFC'.

2) all legal entities and individuals from CIT and PIT on income received from:

- profits from the sale of securities listed on the AIX.
- dividends, profits from the sale of shares or stakes in the capital of AIFC participants.
- interest from securities listed on the AIX.
- dividends on securities listed on the AIX in case trading of such securities meets the liquidity criteria determined by the Joint Order of the AIFC, the Ministry of National Economy and the Ministry of Finance of Kazakhstan.

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.



SIMPLIFIED LABOUR AND VISA REGIMES

OPPORTUNITIES TO GROW BUSINESS

The AIFC's capital market offers a wide range of services and products through the organised exchange, AIX, and over-the-counter (OTC) market segment. The 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. AIX's main advantages include the regulatory environment based on international standards, a developed trading infrastructure consisting of local and foreign brokers, a variety of tools for raising capital by businesses covering different areas and forms of ownership and innovations such as a mobile application for retail investors (Tabys).

129 securities of 85 issuers are listed on the AIX.



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 offers consultation and support to current and new market participants for licensing Islamic finance activities and in structuring and issuing Islamic finance instruments and securities. Alongside international and local market leaders and experts in Islamic finance, the AIFC holds educational and awareness-raising seminars, workshops and certification programmes on Islamic finance.

The Islamic finance industry at the AIFC is represented by companies from the UK, the USA, Malaysia, Bahrain, Qatar, Pakistan, Russia and Kazakhstan. AIFC participants include Islamic banks (Al Saqr Islamic Bank, Alif Islamic Bank), Islamic financial companies (Kazakhstan Islamic Finance Company), international and Kazakhstan-based Shariah consulting companies (Amanie Advisors, Sharia Review Bureau and Usmani and Co), Islamic rating agencies (International Islamic Rating Agency), and fintech companies (Wahed Invest, Propportunity). The AIX provides support to the listing of Islamic bonds (sukuks) on its platform.

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

With the active support of the GFC, the Eurasian Development Bank (EDB), Damu and KEGOC, Samruk-Energy listed the debut green and sustainable bonds on the AIX and KASE. The first green loans in Kazakhstan were issued by the Development Bank of Kazakhstan, EDB and Halyk Bank. With active support of the GFC, the first gender bonds in Kyrgyzstan were issued by the Bank of Asia.

GREEN FINANCE

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. The AIX provides access to brokers registered both in the AIFC and in other recognised jurisdictions.

There are 30 local and international trading members registered on the AIX (including CITIC Securities; Renaissance Capital; WOOD & Company Financial Services; China International Capital Corporation Hong Kong Securities; Shenwan Hongyuan Securities Hong Kong; Halyk Finance; Freedom Finance Global and SkyBridge Invest).

INSURANCE AND REINSURANCE

Insurance companies operating in or from the AIFC have access to the financial market of Kazakhstan with the ability to offer reinsurance and captive insurance, some types of voluntary insurance (e.g. air transport, water transport, space objects and air and water transport cargo), new types of insurance (e.g. climate insurance, political risks, cyber risks, terrorism) and additional types of insurance (e.g. Islamic insurance, guarantees, court costs).

Currently, the insurance sector in the AIFC is in the process of formation and is represented by companies such as the Kazakhstan Energy Reinsurance Company, Lareco Underwriting and Q Insurance.

The AIFC provides a great opportunity for global and local fund managers of direct investments, hedge funds and real estate funds to diversify their portfolios. In terms of the global market, Astana can become the main destination to localise international asset management companies thanks to the favourable conditions created for doing business.

A total of 25 companies (including a branch of SkyBridge in the AIFC, Kazakhstan Investment Development Fund [KIDF] Management Company, Alpha State Management, Provident Fiduciary, 50 North Capital, FONTE Capital) are registered in the AIFC to manage investment funds, which have created and managed 23 funds, including the first Real Estate Investment Trust: ONE OEIC.

ASSET AND INVESTMENT FUND MANAGEMENT

BANKING SERVICES

The favourable economic environment in Central Asian countries and the growing demand for commercial and wholesale banking services have created opportunities for opening new banks and representative offices.

The AIFC welcomed several banks on its platform: China Construction Bank Corporation, China Development Bank, Branch of the JSC Altyn Bank, UniCredit Bank branch in the AIFC, Alif Islamic Bank and others.

ANCILLARY SERVICES

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

Over 140 ancillary services providers (ASP) 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) and legal firms (Curtis Mallet-Prevost, Kinstellar).

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 43 companies from industries such as digital assets, money services, crowdfunding, investment business, Islamic finance and banking. About 430 technology, IT and fintech companies have already registered in the AIFC jurisdiction, including such major global companies as Amazon Data Services Kazakhstan, Binance, Plug and Play, Oneweb, TikTok and Embraer Technology.



03. AIFC development strategy until 2025

AIFC DEVELOPMENT STRATEGY UNTIL 2025

In 2020, the AIFC Management Council, chaired by the President of Kazakhstan, approved the Development Strategy of the AIFC until 2025. The strategy determined the directions and tasks for the AIFC to become an investment hub and regional financial centre. It also laid out the key performance indicators for the AIFC and how to achieve them. As of the end of 2022, progress in achieving the key indicator of attracting investments via the AIFC platform has reached 80%, which indicates the outperforming pace of development of the financial centre.



IMPLEMENTING THE STRATEGY: PROGRESS OVER FIVE YEARS

AIFC development direction	Strategic objective	Success criteria	Progress within five years
INVESTMENT HUB drive investments USD 10 billion	Attract 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 billion in investments by 2025 Enter the top 50 of the GFCI Business Environment component by 2025 	<ul style="list-style-type: none"> The AIFC attracted USD 7.9 billion in investments via its platform (+USD 1.7 billion in 2022). Astana ranked 69th in the GFCI'33 (March 2023) on the business environment component. <p>80% of target achieved</p>
REGIONAL FINANCIAL CENTRE support financial intermediation	Develop a securities market in the Republic of Kazakhstan and integrate 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 8% weighting in the MSCI Frontier Market Index as of the end of 2022. 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 of Kazakhstan for Regulation and Development of the Financial Market (ARDFM). The 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.
	Develop insurance markets, banking services, Islamic finance, financial technologies, digital assets, 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"> The AIFC has registered 1,738 companies (+565 companies in 2022). The AIFC, the National Bank of Kazakhstan and ARDFM have approved the Rules on Currency Regulation and Provision of Information on Currency Transactions in the AIFC, that also determined the list of financial and ancillary services provided by AIFC participants to residents of the Republic of Kazakhstan. <p>87% of target achieved</p>
	Develop 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"> The AIFC has registered 271 financial and professional services companies (+34 new companies in 2022). <p>45% of target achieved</p>
AIFC GLOBAL POSITIONING GFCI / WAIFC	Achieve international recognition as a financial centre	<ul style="list-style-type: none"> Achieve and maintain top 40 rank in the GFCI rating by 2030 Enter into top 30 in the GFCI rating by 2050 	<ul style="list-style-type: none"> Astana placed 66th of 120 worldwide and 1st of 16 among Eastern European and Central Asian centres in GFCI'33. The AIFC is an active member of the World Alliance of International Financial Centers (WAIFC), representing 19 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.

AIFC AS AN INVESTMENT HUB

The AIFC plays an important role in the implementation of the national policy to attract investment to Kazakhstan and improve the country's investment climate. The centre is actively integrated into the government's investment architecture and uses its potential to attract foreign direct investments into the national economy. Major deals struck by the government of Kazakhstan and the quasi-state entities are structured through the AIFC to ensure transparency, fairness and shareholders' rights protection, as well as to develop Astana as the region's investment hub.

Since its launch, active collaboration has been in place with the government of Kazakhstan as the main national investment agent. The AIFC is a member of a special Coordinating Council on Investment Attraction (Investment Council) chaired by the Prime Minister of Kazakhstan, which provides support for new projects and coordinates the process of implementing investment projects. The Task Force comprised of employees of the national investment promotion agency of Kazakhstan, Kazakh Invest, and the AIFC acts as the working body of the Investment Council and the only negotiator on behalf of the government of Kazakhstan with foreign companies concerning the development of investment projects.

The AIFC front office verifies and structures potential projects and transactions with the help of risk-mitigation measures and forms a pool of suitable projects. Negotiations are also underway with international players, financial institutions and companies planning to expand their presence in the region through the AIFC platform. All interested parties are provided with the necessary registration and post-registration support.

As part of the implementation of the state's investment policy, the AIFC is also a part of the investment programmes of Kazakhstan's Ministry of Foreign Affairs that search for foreign investors and investment projects in the countries of residence.

Currently, the Task Force team is working on about 70 agreements for a total of over USD 13 billion with major foreign investors. Among these projects, 11 have already been structured in the AIFC's jurisdiction.

Another important achievement was the possible conclusion of strategic investment agreements between business and the government of Kazakhstan in the AIFC's jurisdiction, which provides confidence and trust and ensures the security of investments of major foreign investors. The agreements pertain to the implementation of large projects with an investment volume of at least USD 7.5 million monthly calculated indicators (around USD 51 million) in strategically important sectors of the country's economy. In 2021, the first agreement of this kind was concluded via the AIFC's jurisdiction.

To achieve deeper integration of the AIFC into the national investment ecosystem, the centre uses a wide range of tools to help create an attractive investment climate in Kazakhstan and develop the centre as the region's investment hub.

The main strategic goal is to stimulate and increase the inflow of investments into the economy of Kazakhstan by creating an attractive investment environment in financial sphere. By 2025, the AIFC aims to attract about USD 10 billion in investments and enter the top 50 in the business environment component of the Global Financial Centres Index (GFCI).

Over the last five years, the AIFC has attracted record investments in the amount of USD 7.9 billion, consisting of portfolio investments and investments of financial centre participants into the economy of Kazakhstan.

Since the launch of official trading, the volume of portfolio investments attracted through the AIX platform totals about USD 2.7 billion (+USD 870 million in 2022), including USD 356 million of equity capital and USD 2.4 billion of debt capital. The growth of portfolio investments was ensured by the increased supply of debt securities in the public and private sectors and the launch of IPOs and SPOs of the largest Kazakhstani and foreign companies, including the national companies Kazatomprom, KazMunayGas and the technology giant Kaspi.kz.

The volume of investments by AIFC participants reached USD 5.2 billion (+USD 900 million in 2022). The largest share was made by the investments of the AIFC participants within the framework of the Belt and Road Initiative. The world's largest Chinese development institutions, such as China Construction Bank and China Development Bank, financed investment projects in the mining and oil and gas industries totalling about USD 2.7 billion.

The centre created favourable conditions to attract investments from various sources, including investment funds, resulting in an active inflow of capital. The AIFC supported Kazatomprom and Genchi Global in establishing the KAP Uranium Fund in the AIFC's jurisdiction with investments of up to USD 500 million. This is the first fund of its kind in the CIS region and the third in the world.

In addition, the Chevron Direct Investment Fund is registered at the AIFC with funds of up to USD 250 million to invest in priority sectors such as oil and gas, environmental protection, and IT and digital technologies. The fund plans to invest in the development of local content projects by creating jobs, developing enterprises, and transferring experience and technology.

SUCCESS STORY



China Construction Bank Corporation (CCB) is the largest state-owned commercial bank in China and the second-largest bank in the world by total assets (USD 4.7 trillion) according to the Banker's 2022 edition. The bank engages in the provision of corporate and personal banking services, including loans for construction industry and mortgage loans, fund management services and international settlement in domestic and overseas markets.

China Construction Bank Corporation Astana Branch became the first fully authorised branch of a foreign bank in the AIFC in 2019. The opening of the branch serves the Belt and Road Initiative by facilitating investment cooperation between China and the Central Asian countries as part of the Belt and Road Initiative. Thus far, the bank has contributed to the key projects of the economies of the Central Asian countries.

Another milestone of cooperation has become the official listing of CCB Astana Branch RMB bond (Falcon bond) on AIX in 2020 in the amount of 1 billion CNY. It was the first RMB product on the AIX Belt & Road Market.

Since its opening, the assets of the CCB Astana Branch have grown sixfold. The volume of cross-border transfers and settlements in yuan has noticeably increased with the total amount of settlements reaching 100 billion CNY.

The bank fully benefits from the advantages of the AIFC jurisdiction based on the principles, norms and precedents of the law of England and Wales, and standards of the world's leading financial centres. AIFC's flexible requirements for opening branches, preferential tax regime and simplified migration requirements for foreign employees contribute to the successful development of business. Thus, the opening of the bank's branch in the AIFC has created opportunities for increasing financing and promoting advanced practices in the whole Central Asian region.



SUCCESS STORY

KAZAKHSTAN ENERGY REINSURANCE COMPANY

Kazakhstan Energy Reinsurance Company (KERC) is an affiliated company of KazMunayGaz carrying on insurance activities within KazMunayGas group of companies and Samruk-Kazyna Fund, which is its parent holding company. The company has been operating in the AIFC since 2019 as the first company in Kazakhstan to carry on the regulated activities as a captive insurer. KERC has set a precedent for Kazakhstani companies to transfer operations and capital to Kazakhstan. It re-domiciled into the AIFC jurisdiction from the jurisdiction of Bermuda, where it had been operating since 2004, while retaining all the property rights, benefits and privileges, liabilities and legal status.

The transfer of the incorporation of KERC to the AIFC demonstrated a good example that the legal framework of the AIFC supports Kazakhstani companies willing to relocate operations and assets to Kazakhstan through the AIFC, where a regulatory regime is well-placed for doing financial services business and the protection of investments.

NATIONAL INVESTMENT PLATFORM

In 2021, the government of Kazakhstan initiated a project of a national investment platform that will provide a unified database of investment projects and investors. The platform will allow the application of a system for managing an end-to-end business process from the stage of attracting investments to the stage of completing the implementation of an investment project with the integration of all participants in the system.

As part of the Asian Development Bank's technical assistance framework, experts from the bank collaborated with the Project Office for the platform's execution, based at the AIFC, to conduct an analytical study on the creation of a platform, which has now been completed. The final report contained the platform's conceptual details and terms of reference for its creation, along with recommendations on the distribution of functions and responsibilities among the engaged bodies. The report also included recommendations on the platform's content based on international experience in the development, implementation and management of digital investment platforms. Negotiations are currently underway with potential suppliers and technology development partners who have the required expertise and experience in developing similar platforms.

AIFC-BASED INVESTMENT TAX RESIDENCY PROGRAMME

As part of the execution of the instructions of the President of Kazakhstan to enhance the inflow of foreign investment into Kazakhstan, in 2022 the Investment Tax Residency Programme was officially launched at the AIFC. The programme implies that investors and their family members receive a multiple entry visa for Kazakhstan, subject to making investments in AIFC instruments, namely, securities, investment funds and the authorised capital of companies registered in the AIFC. If the investor meets the mandatory conditions, the AIFC applies to the relevant state authorities for issuing a visa for the investor and their family members in accordance with Kazakhstan's current migration legislation (for a period of five years).

The program's attractiveness is due to the opportunity to take advantage of additional tax benefits, namely, to be recognised as a tax resident of Kazakhstan in a simplified manner with exemption from taxation of their foreign income, subject to the annual payment of a fixed fee to the republican budget.

The AIFC has carried out considerable preparatory work to develop and launch the programme based on the best practice of similar programmes around the world, as well as the requirements of international agreements and current legislation. With active support of the government of Kazakhstan, the AIFC has contributed much to the adoption of the necessary amendments to the country's immigration and tax legislation, as well as elaboration and approval of the AIFC Regulations 'On AIFC Investment Tax Residency Programme', which officially launched the programme. The AIFC is currently working on promotion of the programme at the regional and global levels, and pitching it to the business community.

SUCCESS STORY



Merz Leasing is the Kazakhstani subsidiary of the Swiss financial group Merz Financial with over 30 years of experience in the international financial markets. Since 2020, Merz Leasing has successfully positioned itself as a leading provider of leasing services to SMEs in 11 regions of Kazakhstan and neighbouring countries with developed agriculture. The company's leasing solutions help customers access the most advanced, high-tech machinery and equipment to scale their businesses.

The AIFC has been selected as the most preferred platform due to its independent legal framework that guarantees the safety and protection of investments and a favourable tax regime.

Almost 100 agricultural producers have received finance solutions since the company's inception in the AIFC. They received almost 300 units of agricultural machinery. The company strives for superior returns for its shareholders and has the vision to become the most successful leasing company in the region.



AIFC AS A REGIONAL FINANCIAL CENTRE

With the growth of the financial services sector, the AIFC strengthens its position as the leading platform for developing financial intermediation in the region. The AIFC provides a platform with an efficient and attractive business environment, where banks, brokers, investment and insurance companies, ancillary service providers, law firms and other types of companies are focused on offering a wide range of traditional and innovative products and services.



Created in 2005



Created in 2002



Created in 2018



Created in 1971

REGISTERED COMPANIES			
1,500	3,644	1,738	3,500
Qatar Stock Exchange (1995)	Nasdaq Dubai (2005)	Astana International Exchange (2018)	Singapore Exchange (1999)
MARKET CAPITALISATION			
\$168 billion	\$37 billion	\$40 billion	\$830 billion
SECURITIES LISTED			
51	174	129	651
AREAS OF ACTIVITY			
<ul style="list-style-type: none"> • Banking • Corporate/ Wholesale Banking • Investment Banking • Private Banking • Asset Management • Retail Trade Schemes • Qualified Investor Schemes • Private Placement Schemes • Insurance, Reinsurance • Captive insurance • Islamic Finance • Investment Consulting and Services • Fiduciary Business • Captive Structures • Capital Market Instruments • Fintech 	<ul style="list-style-type: none"> • Banking • Private Banking • Investment Banking • Brokerage • Captive Markets • Innovation Licence • Insurance, Reinsurance and Captives • Fund Management • Asset Management • Capital Management • Share Capital • Corporate Offices • Professional Services • Islamic Finance • Fintech • Special Companies • Retail and Retail Trade • Cafes and Restaurants • Art Galleries 	<ul style="list-style-type: none"> • Capital Market • Banking • Brokerage • Asset Management • Fund Management • Islamic Finance • Insurance, Reinsurance, Captive • Fintech • Green and Sustainable Finance • Ancillary services • Holding companies, Head offices and Other commercial activities not subject to regulation • Multilateral and Organised Trading Facility 	<ul style="list-style-type: none"> • Asset Management • Enterprise Financing • Capital Management • Foreign Exchange and Derivatives Market • Fixed Income Securities • Infrastructure Finance • Sustainable Financing • Insurance and Risk Financing

AIFC'S FINANCIAL LANDSCAPE

	Traditional/Conventional	Islamic Finance	Green/Sustainable	Tech/Digital
Securities and Capital Market	<ul style="list-style-type: none"> Equities (shares and GDRs) Bonds (corporate, sovereign) ETFs/ETNs 	<ul style="list-style-type: none"> * Sukuk (corporate, sovereign) * Islamic ETNs 	<ul style="list-style-type: none"> * Green, social and sustainability bonds * Green and social loans * Sustainability-linked bonds ESG-reporting (voluntary) * Green equity 	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 and settlement Enhanced settlement service Conversion: GDRs <-> shares Registry-keeping Depository services registration of pledges
	<ul style="list-style-type: none"> IPO/SPO, pre-IPO, debt (public and private), cross-listings, direct listings Dedicated Segments: <ul style="list-style-type: none"> Regional Equity Market Segment (REMS) + Junior Mining Belt and Road Market 			
Insurance	<ul style="list-style-type: none"> Insurance/ Reinsurance Captive insurance Insurance intermediaries 	<ul style="list-style-type: none"> Takaful/Retakaful Takaful operator Intermediaries 		
<ul style="list-style-type: none"> Underwriting/guarantees/warranties/actuarial services 				
Corporate Banking/ Private Banking/ Wealth Management	<ul style="list-style-type: none"> Corporate banking—conventional/Islamic Private banking (including 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 (including line of credit, guarantees, working capital and supply chain finance solutions) FICC—fixed Income, currencies and commodities 			<ul style="list-style-type: none"> Remittances/money exchange Robo-advisory Digital (mobile) banking
Asset Management	<ul style="list-style-type: none"> Funds (incl. REITs, hedge, Islamic 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) 			
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) 		<ul style="list-style-type: none"> GreenTech * Carbon trading 	<ul style="list-style-type: none"> RegTech LegalTech Digital currency + Crypto exchange + Crowdfunding VC deals: Convertible notes, SAFE, KISS, Private placement (ICO)
Ancillary services (legal, accounting, auditing, credit rating agencies°, consulting/advisory°, corporate service providers, e-commerce)				

Launching soon + Available only in the AIFC within the territory of Kazakhstan * External verification required for green finance and Islamic finance

INITIATIVES TO PROMOTE THE AIFC AS A REGIONAL FINANCIAL CENTRE

Integration with global capital markets

Following the goal of the development and integration of Kazakhstan's capital markets with the global markets, the 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 to enhance the size, liquidity and market accessibility of Kazakhstan's capital markets 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 a mobile investment application. The AIX has created its own product, exchange-traded notes (ETN), so that Kazakh investors can diversify their investments at minimal costs via Tabys by investing in global market indexes.

In 2021, the AIX launched the AIX Qazaq Index (AIXQI), a market-capitalisation weighted index that measures the performance of the shares of Kazakhstan-linked companies.

Development of a capital market



Development of asset and investment fund management

Asset and investment fund management

The 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 hedge and venture capital funds. For the first time in Central Asia, the 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 recognised by the AIFC.

This ability to use products of a different nature gives investors and their advisers, under both common law and civil law, the opportunity to structure their capital in a convenient way.

Development of the insurance and reinsurance market

Insurance and reinsurance

In cooperation with the National Bank of Kazakhstan and the Agency of Kazakhstan for Regulation and Development of Financial Market (ARDFM), the AIFC has adopted the Rules on Currency Regulation and Provision of Information on Currency Transactions in the AIFC, effective from 2021. These 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 Kazakhstan.

According to the rules, 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 and cyber risks.

Development of Islamic finance

In 2022, the AIFC continued to implement the Islamic Finance Master plan in Kazakhstan, including localisation of the Islamic financial companies, sukuk issuance, thus enhancing Islamic finance literacy. The AIFC will focus on the development of the Islamic finance industry infrastructure and regulatory framework in line with best international practices and worldwide standards.

Development of green finance

In recent years, the AIFC Green Finance Centre (GFC) has implemented several major projects using a wide range of financing instruments, including green and sustainable bonds and loans.

In 2022, the GFC expanded its regional services and supported the first issue of social (gender) bonds in Kyrgyzstan. The GFC, as the Regional Office of the Green Investment Principles of the Belt and Road Initiative in Central Asia (GIP), hosted the Green Investment Forum in Kyrgyzstan and developed the first draft of taxonomy of Kyrgyzstan for the application of sustainable finance instruments.

In partnership with Eurasian Economic Commission and VEB.RF, the GFC has developed criteria for green projects of the EAEU countries (i.e. a model taxonomy).

Introduction of new financial instruments



Development of a digital financial centre

Development of the digital asset industry

In 2022, the National Bank of Kazakhstan, ARDFM, the Ministry of Digital Development, Innovation and Aerospace Industry, the Financial Monitoring Agency of Kazakhstan, the Association of Financiers of Kazakhstan and AFSA launched a pilot project on collaboration of AIFC crypto exchanges with Kazakhstani commercial banks. The AIFC crypto exchanges admitted to the project have begun the active phase of executing fiat transactions with the help of Kazakhstani banks.

With the active assistance of the AIFC, in 2023, the Law of the Republic of Kazakhstan 'On Digital Assets' was adopted, along with the corresponding amendments to legislation that provide the legal framework for the development of activities for the issuance and circulation of digital assets, digital mining in the Republic of Kazakhstan. The law gave the AIFC legal authority to determine the terms and conditions for the issuance, placement and turnover of unsecured digital assets (cryptocurrencies) on the AIFC territory.

Fourth industrial revolution

In response to the rapid development of digitalisation and the impact of the fourth industrial revolution (4IR), the AIFC is harnessing the power of innovation to support the private and public sectors in learning, adopting and scaling up new technologies.

The AIFC continues its activities to develop a dynamic fintech ecosystem and a financial centre that meet the challenges of the digital age. These activities also include the launch of the government project, known as the Fourth Industrial Revolution Affiliate Centre at the AIFC site in 2021, and the introduction of an effective regulatory framework to support new technologies and the development of the Tech Hub enabling environment to stimulate innovation.

Electronic residence (eResidence)

This project, which focuses on building a digital ecosystem for AIFC participants and interested stakeholders, has successfully launched its mobile application. The app offers access to digital services and products of the AIFC, exclusive offers from the AIFC and its partners, and networking opportunities. Currently, registered users within the eResidence portal number 1,700, with more than 1,000 services provided to AIFC clients online.

The range of services available to AIFC participants on the eResidence portal is constantly expanding. In 2022, services were introduced to obtain an Individual Identification Number (IIN) and a digital signature at the embassies of Kazakhstan abroad without a physical presence in the country. The eResidence portal also introduced the AIFC participants to the possibility of opening bank accounts online.

Re-domiciliation

The 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 jurisdiction and high standards of regulation, the AIFC offers re-domiciliation services for companies willing to transfer their residence while maintaining their legal status, organisational and legal form, corporate structure, liabilities, assets, bank accounts and licences for regulated activities. The process also allows taxes to be optimised. Companies can maintain their portfolio, credit ratings, and rights and obligations towards counterparties.

There is a successful precedent of re-domiciliation 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. In cases when the current legislation of a company's country of origin does not allow the direct transfer of incorporation, alternative mechanisms can be offered.

AIFC legal services regulatory regime

As part of the AIFC Development Strategy until 2025, one of the strategic goals for the further development of the AIFC jurisdiction is the introduction of a legal services regulatory regime.

In 2022, the AIFC Legal Services Board was established as a designated body to introduce a legal services regulatory regime, ensuring high professional standards of competence, ethics and integrity in the provision of legal services in the AIFC.

Overall, the proposed regulatory regime is expected to strengthen the understanding and application of AIFC legislation and thereby attract more international participants, contributing to the growth of business activity in the AIFC jurisdiction.

AIFC Law Pro Bono Office

Established in 2019, the AIFC Law Pro Bono Office offers unique access to consultations for legal issues that arise within the AIFC's jurisdiction. The office allows individuals and company representatives who cannot afford a lawyer the ability to seek advice and consultation from volunteer lawyers free of charge.

Re-domiciliation opportunities

Development of the legal services market



04. Growth of AIFC ecosystem

REGULATORY FRAMEWORK

The AIFC has an independent regulator that aims to ensure equal and fair rules of the game for all financial market participants.

The Astana Financial Services Authority (AFSA) is an independent AIFC regulator established in 2017, in accordance with the AIFC Constitutional Statute "On the AIFC" to regulate financial services and related activities within and outside the AIFC.

The AFSA's regulatory activities include financial and market services in banking, insurance, capital markets, Islamic finance, financial technologies, as well as ancillary services.

VISION



To be a globally respected regulator of financial services in Eurasia delivering a legal and regulatory framework that demands high standards of behaviour, inspires innovation, and creates a safe environment, which is trusted by business and investors.

MISSION



To establish an environment that delivers fair and transparent financial and capital markets, in which individuals and institutions act with integrity.

GOAL



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.

OBJECTIVES



1. Regulate, control and supervise financial activities in the AIFC by participants with a view to the maintenance of the safety and soundness of the financial system within the AIFC.
2. Ensure that financial markets in the AIFC are fair, efficient, transparent and orderly.
3. Create fair, transparent and non-discriminatory conditions for AIFC participants, aimed at maintaining fair competition in the financial services market in the AIFC.
4. Foster and maintain confidence in the AIFC's financial system and regulatory regime.
5. Foster and maintain the financial stability of the AIFC's financial services industry and capital markets, including the reduction of systemic risks.
6. Prevent, detect and restrain actions that may cause damage to the AIFC's reputation or to the financial activities carried out in the AIFC by taking appropriate measures, including imposing sanctions.
7. Protect the interests of investors and users of financial services.
8. Implement a regulatory regime in the AIFC that complies with international standards in the sphere of regulation of financial services.
9. Foster the development of financial technologies in the AIFC.

REGULATORY FRAMEWORK

In accordance with the Constitutional Statute 'On the AIFC', as part of its key activities, AFSA develops and adopts AIFC Acts relating to regulation of financial services and related activities in the AIFC.

To date, AFSA has ensured a reliable and stable regulatory framework, which includes 35 AIFC Acts on financial regulation in the field of capital markets, asset management, banking and insurance, Islamic finance, and financial technology, developed in accordance with the best international standards.

The range of financial services offered in the AIFC and subject to licensing under AIFC regulations is comparable to the services available in global financial centres such as London, Hong Kong, Singapore and Dubai, and consists of the following three categories:

- Regulated activities;
- Market Activities;
- Ancillary services.

SERVICES REGULATED BY THE AIFC



Throughout its activities, AFSA has been constantly developing, strengthening and expanding the regulatory framework with the aim of covering the maximum range of financial services and creating the most favourable and secure market environment. Thus, over the past five years, the list of services that can be provided by AIFC participants has expanded from 24 to 40 types.

A major milestone in the development of the financial landscape of the AIFC was reached in 2021 when the main priority of AFSA's activities was the resolution of domestic cross-jurisdictional matters related to the provision of financial services by AIFC participants to residents of Kazakhstan. This required intensive engagement with the National Bank of Kazakhstan and the Agency of Kazakhstan for Regulation and Development of Financial Market (ARDFM). As a result, AFSA adopted new Rules on Currency Regulation and Provision of Information on Currency Transactions in the AIFC, enhancing access of AFSA authorised firms to the financial markets of Kazakhstan.

7 KEY REGULATIONS FOR OBTAINING A LICENCE IN THE AIFC:

- **AIFC Financial Services Framework Regulations.** The key regulation, which contains the fundamental rules for all licensed activities in the AIFC;
- **AIFC General Rules.** A set of basic requirements for licensing companies whose activities are subject to regulation. This includes, for example, requirements for key persons of the company, systems and control, and corporate governance. This act also determines the list of regulated activities;
- **AIFC Conduct of Business Rules.** Rules and requirements for doing business, which the company must comply with when interacting with customers, counterparties and other market participants;
- **Prudential Rules for Investment Firms.** A set of requirements for compliance with prudential standards for investment companies, such as requirements for minimum capital, minimum net liquid assets, reporting and notifications;
- **AIFC Banking Business Prudential Rules.** A set of prudential compliance requirements applicable to banking and dealer companies;
- **AIFC Anti-Money Laundering Rules.** Regulation representing the provisions and requirements on combating money laundering and the financing of terrorism (AML/CFT) for licensed companies;
- **AIFC Fees Rules.** A set of provisions that determine the amount of fees that AIFC participants must pay. This regulation determines the amount of fines that can be imposed if the company does not comply with regulatory requirements.

In particular, the rules established terms for conducting foreign exchange transactions in the AIFC, and defined a list of financial and professional services that AFSA participants can provide to residents of Kazakhstan, including in the banking and insurance sectors, Islamic finance, and the securities market.

As part of the work to implement the Rules on Currency Regulation, amendments were made to the legislative acts of Kazakhstan related to the regulation and development of the insurance market, securities market, and banking activities. For example, opportunities were provided for expanding the activities of insurance and reinsurance companies that are AIFC participants, as well as for opening correspondent accounts of banks that are AIFC participants in second-tier banks of Kazakhstan. These amendments are aimed to harmonise Kazakhstan's existing financial systems.

In 2022, AFSA contributed to the development of the Concept of Development of the Financial Sector of Kazakhstan until 2030. Adopted by the decree of the President of Kazakhstan, it outlined joint plans of the ARDFM, the National Bank of Kazakhstan and AFSA on further development of the financial market, risk-based supervision, innovation, and digitalisation, as well as expanding the list of financial services provided by AIFC participants to residents of Kazakhstan within the framework of the above-mentioned rules.

When developing its regulatory framework, AFSA relies on global regulatory standards and leading best practices. Since 2018, AFSA has joined the following international organisations:

- International Organisation of Securities Commissions (IOSCO);
- International Association of Insurance Supervisors (IAIS);
- Banking Supervision Authorities of Central and Eastern Europe (BSCEE).

Membership in these global institutions, which represent the fundamental foundations of financial services regulation in the capital markets, insurance and banking sectors, laid the groundwork for bringing the AIFC's regulatory framework in line with international standards.

AFSA is also a member of the Council of Islamic Financial Services Board (IFSB) and the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI), that contributed to the development of the Islamic financial services industry not only in Kazakhstan but also in the Eurasian region.

To date, ISDA recognises more than 80 jurisdictions as 'netting-friendly' and the AIFC aims to seek ISDA recognition for its close-out netting regime as the next step.

In addition, to prevent money laundering and terrorist financing, the Financial Action Task Force (FATF) standards were integrated into the AIFC's regulatory framework.

Since 2019, in cooperation with the Organisation for Economic Cooperation and Development (OECD), AFSA has continued with workstreams on strengthening a regulatory framework for financial services that is compliant with the highest standards of transparency and information exchange for tax purposes. In 2021, in agreement with the Ministry of Finance of Kazakhstan, AFSA adopted the Rules on the Substantial Presence of the AIFC Participants Applying Tax Exemptions that ensured that the AIFC is compliant with global transparency standards for tax purposes and that the AIFC jurisdiction is not used for harmful tax practices under OECD Inclusive Framework on Base Erosion and Profit Shifting (BEPS).

This work resulted in recognition of the AIFC's tax regime by the OECD in 2022. This recognition is an important step in demonstrating the AIFC's compliance with global tax transparency standards.

Also in 2022, the International Swaps and Derivatives Association (ISDA) published an informal country report on enforceability of close-out netting under the Acting Law of the AIFC. This marks the first step towards the full recognition of the AIFC as a 'netting-friendly jurisdiction'.

AFSA ensures that regulation is not unduly burdensome – the approach is balanced, scalable and responsive to new initiatives, regulatory developments, risks and challenges. The legal and regulatory framework facilitates business development, supports and inspires innovation by providing a platform to launch financial and regulatory technologies, products and services while also ensuring the safety and robustness of the AIFC's financial system.

SUCCESS STORY

Caspian Integrated Maritime Solutions

Caspian Integrated Maritime Solutions (CIMS) is an exclusive joint venture between a subsidiary of the largest national oil and gas company KazMunayGas and Abu Dhabi Ports Group, the leading facilitator of global trade, logistics, and industry in the UAE. CIMS was established under a strategic partnership agreement between the sides on the development of a marine fleet and coastal infrastructure in the Caspian Sea. AIFC-based joint venture will provide offshore and shipping services to energy companies in the Caspian Sea.

The launch of collaborative venture meets Kazakhstan's plans to develop a full-fledged transport hub in Central Asia and the Caspian region and diversify transport routes, including within the Trans-Caspian International Transport Route and the North-South transport corridor.



REGISTRATION, AUTHORISATION AND RECOGNITION

Since the beginning of its activity, AFSA has registered 1,738 companies from 70 countries, while only in 2022 their number increased by 50%. Most companies are represented from the CIS countries, China, the EU, the UK, the USA, Singapore, the UAE and India. Notably, despite the pandemic and the region's complicated geopolitical situation, the number of registered companies grew

at an accelerated pace over the past years, indicating an ongoing trend of new firms choosing the AIFC as their jurisdiction. This has been also possible thanks to the developed eResidence digital platform, which provides online registration of a company in the AIFC in one day on average.

AIFC PARTICIPANTS BY TYPE OF BUSINESS ACTIVITIES

Type of activity	2017	2018	2019	2020	2021	2022	Total	growth in 2022
Authorised activities	4	39	84	57	53	34	271	+14%
Financial Activities		9	12	14	24	22	81	+37%
Ancillary Services		24	59	35	19	7	144	+5%
Authorised Market Institutions	1	1		1			3	
FinTech Lab	3	5	13	7	10	5	43	+13%
Non-financial activities	2	39	165	233	497	531	1,467	+57%
TOTAL	6	78	249	290	550	565	1,738	+48%
TOTAL (cumulative)	6	84	333	623	1,173	1,738	1,738	



'With the help and guidance from AFSA, Brillink Bank has successfully obtained a full banking licence to develop digital banking in the AIFC. Brillink Bank is the world's first digital bank focusing on supply chain financing. Throughout the licence application process, IT systems implementation and assessment, as well as establishing correspondent banking relationship, AFSA has played an important role in relation to regulatory guidance, technical advice and relationship building. AFSA and its staff demonstrate their professionalism, competency and passion.'

Elizabeth Chung
CEO of Brillink Bank Corporation Limited

A total of 271 companies (16% of the total number of AIFC participants) were licensed by AFSA to provide services in the field of capital markets, insurance, banking, asset management, alternative investments and professional services. The rest of the companies provide various non-financial services in the fields of information technology, digital assets, data analysis, production activities, etc.

Most of the licensed companies carry out investment activities: 29 asset management companies (SkyBridge Invest JSC, Fonte Capital Ltd, Agraga Ltd, Freedom Finance Global PLC, KIDF Management Company Ltd, NGDEM Global Ltd, Halyk Finance) and 11 investment funds (the first investment fund in the AIFC Real Estate Investment Trust ONE, AIFC's first investment fund WHC TECH VENTURES LP, FX Assets Exposure Fund, Skybridge Growth and pre-IPO Fund, 50 North Master Fund, ANU Energy, Chevron Direct Investment Fund).

Banking services are provided by China Construction Bank Corporation Astana Branch, China Development Bank Astana office, Unibank branch in the AIFC, representative office of Hungarian Export-Import Bank, Altyn Bank, etc.

Companies providing services in the field of Islamic banking and financing, consulting in the field of Shari'ah and Islamic fintech (Al Saqr Islamic Bank, Alif Islamic Bank, Kazakhstan Islamic Finance Company, Proportunity, etc.) are also registered in the AIFC.

The Astana International Exchange (AIX), Astana International Exchange Central Securities Depository



'Our company first started working in an area of captive insurance that is new for Kazakhstan. AFSA's licence as a seal of approval helps lay the necessary groundwork and hopefully lead to more companies emerging in this niche.'

Talgat Tursumbekov
Senior Executive Officer
Kazakhstan Energy Reinsurance Company

(AIX CSD) as well as the Go Crowd crowdfunding platform represent authorised market institutions in the AIFC.

The AIX has registered 30 trading members: 23 Recognised Non-AIFC Members (RNAMs) and 7 licensed brokers. There are 18 local brokers (BCC Invest, Halyk Finance, SkyBridge, Freedom Finance, etc.) and 12 international brokers (CITIC Securities, Renaissance Capital, WOOD & Company Financial Services, China International Capital Corporation Hong Kong Securities, Shenwan Hongyuan Securities Hong Kong, etc.).

AIFC actively supports the development on its site of the activities of ancillary services providers. Over 140 companies (KPMG, Russell Bedford, A-Partners, Kinstellar, GRATA, etc.) provide a wide range of services in the field of management and legal consulting, accounting and auditing support, and credit ratings.

AFSA introduced regulatory relief measures that are in line with international practice (IOSCO, IAIS, FinCoNet) to support the business community of the AIFC during pandemic. Thus, the procedures for obtaining a licence for certain types of regulated activities were simplified, measures were provided to assist potential regulated participants in developing the necessary policies and procedures in the field of risk management, compliance, AML/CFT, as well as extension of the deadlines for submission of reports by licencees.

35
AIFC ACTS

of financial services regulation



'Astana Financial Services Authority has been dedicated to establishing and developing an open and ethical regulatory environment within Astana International Financial Centre and a regulated fair and transparent financial and capital market in Kazakhstan as well as in Central Asia. The respectful, ethical, responsible and accountable manner of AFSA impresses all AIFC participants. Its regional reputation is being rapidly promoted thanks to its continuous endeavor, persistence, friendly and preferential policies and internationally advanced principles.'

Songhua Wang
CEO of China Construction Bank Corporation Astana Branch

According to the AIFC regulations, a new legal entity can be created in the following organisational-legal forms:

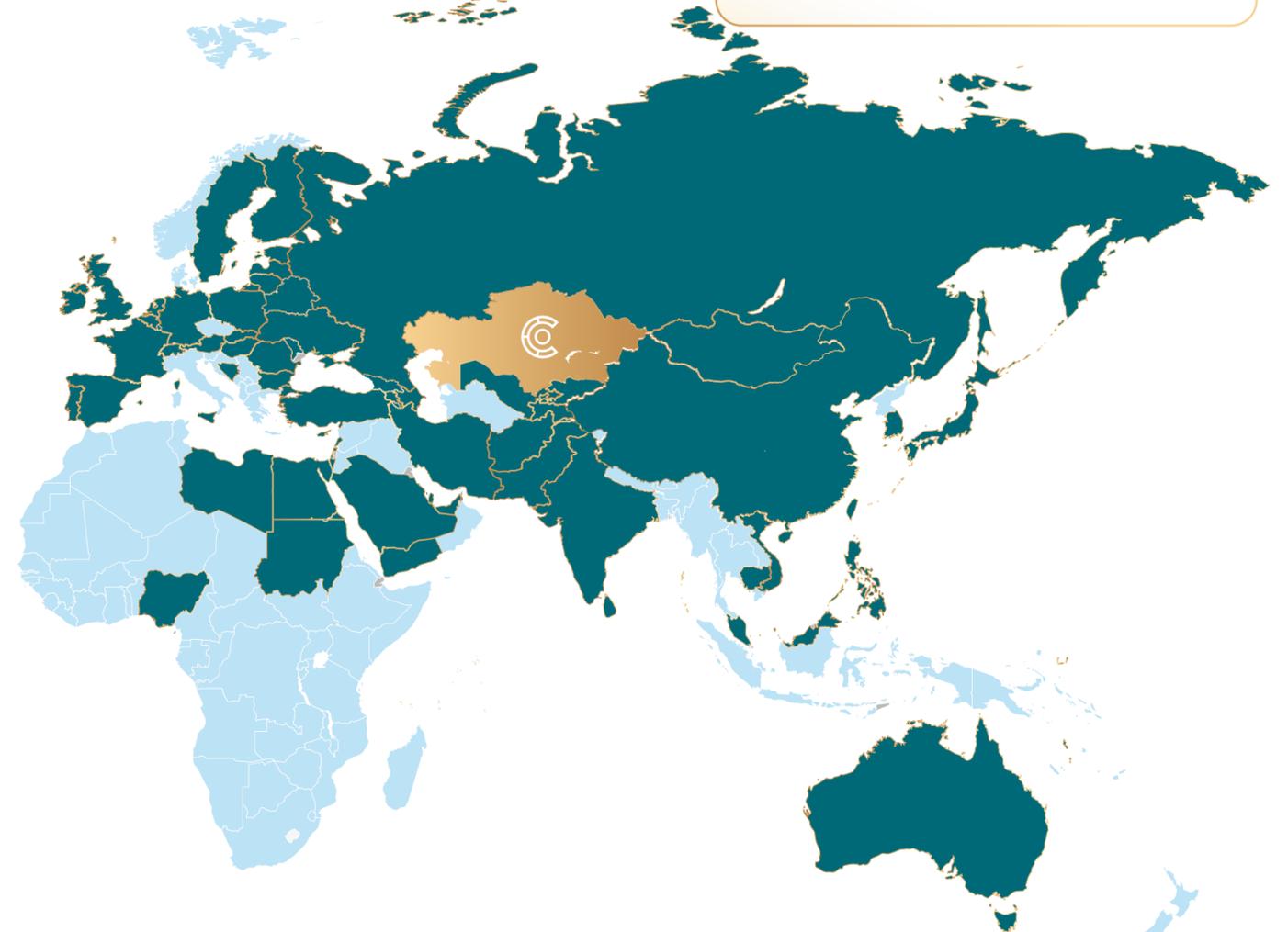
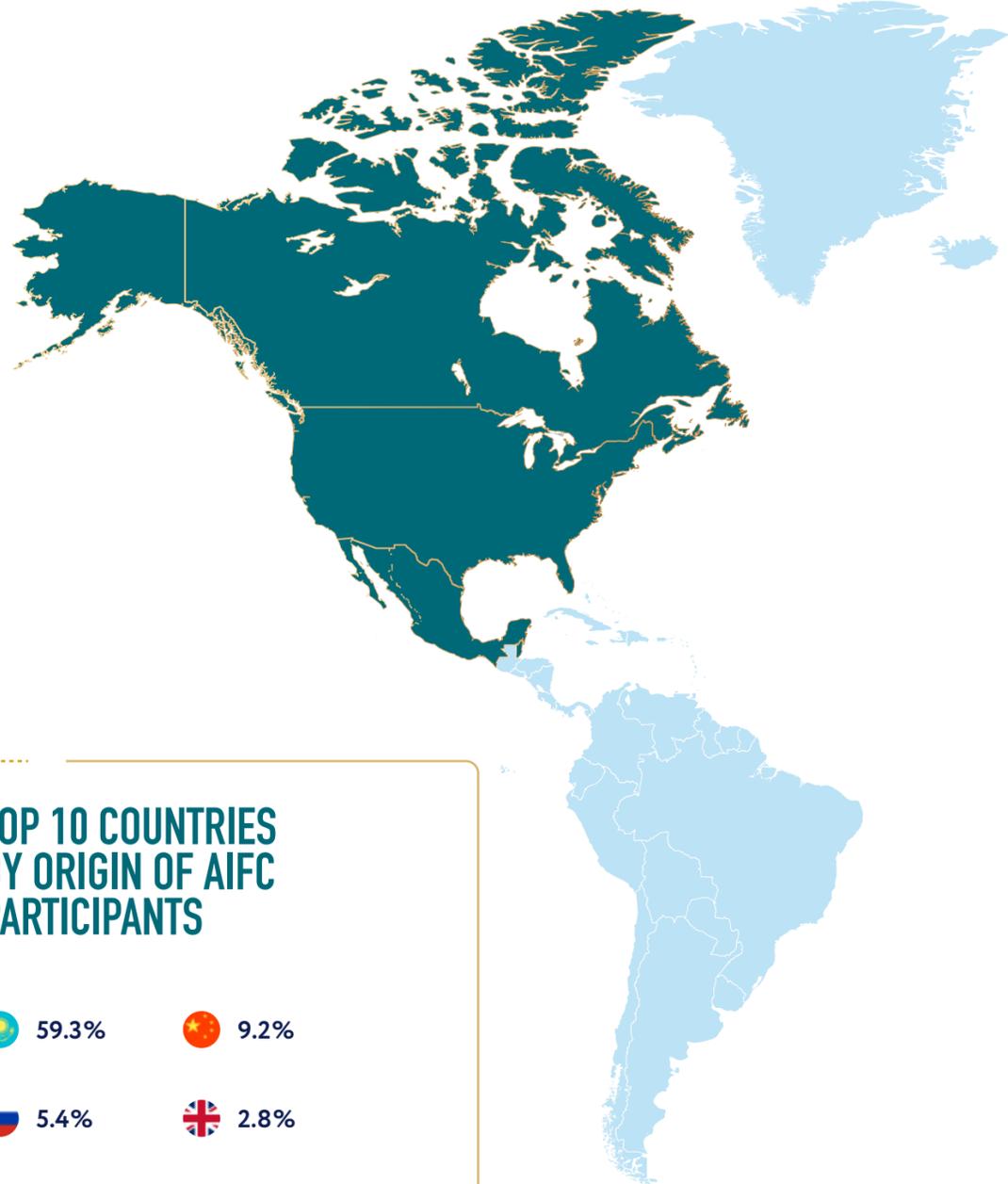
1. Private Company
2. Public Company
3. Investment Company
4. Restricted Scope Company
5. Special Purpose Company
6. Limited Partnership
7. General Partnership
8. Limited Liability Partnership
9. Foundation
10. Non-Profit Incorporated Organisation

Legal entities registered in other jurisdictions may be registered by the AIFC and operate as a branch or representative office in the following organisational and legal forms:

1. Recognised Company
2. Recognised Limited Partnership
3. Recognised General Partnership
4. Recognised Limited Liability Partnership

AIFC PARTICIPANTS MAP

1,738 from 70 countries registered as AIFC participants
COMPANIES



TOP 10 COUNTRIES BY ORIGIN OF AIFC PARTICIPANTS

 59.3%	 9.2%
 5.4%	 2.8%
 2.4%	 1.6%
 1.4%	 1.2%
 1.2%	 1.0%



SUPERVISION, ENFORCEMENT, AML/CFT

AFSA ensures the proper functioning, financial stability and sustainability of the financial markets in the AIFC through an integrated supervisory system based on the international experience and the latest regulatory trends.



Key areas of prudential supervision include the need for financial institutions to have sufficient equity capital to operate, reserves to cover potential losses, and adequate control over systemic risks. As the financial services markets in the AIFC have grown during recent years, and more authorised firms have started their operations, AFSA has prioritised an adequate level of protection of the interests of consumers of financial services and investors, taking into account a risk-based approach. Thus, as of the end of 2022, the number of AIFC participants subject to prudential supervision amounted

	Banks	Investment companies	Insurance companies	Total
2022	13	42	4	59
2021	10	28	2	40
2020	4	11	2	17
2019	3	5	2	10

to 59 companies with investment companies accounting for the largest share.

To date, assets under management (AUM) of AIFC investment companies, including assets of investment funds, have already amounted to USD 555 million. The AIFC financial sector's assets, including the insurance and banking sectors, have reached USD 884 mln.

The enforcement system is an important component in achieving regulatory goals and demonstrates a commitment to maintaining the highest standards of conduct in the AIFC. AFSA has a wide range of powers to identify, prevent and limit actions that damage the reputation or stability of the AIFC.

The Enforcement Policy adopted in 2019 defines the key principles of law enforcement based on a risk-based approach, AFSA's holistic approach to law enforcement, including assessing allegations of misconduct, conducting

investigations and powers available, making decisions and disciplinary actions, imposing fines, sanctions and other response measures, as well as settlement.

The key activity of AFSA is to counter any abuse in the AIFC financial market. The AIFC legislation in the field of anti-money laundering and countering financing terrorism (AML/CFT) is based on international standards and recommendations of the FATF, which are used by 180 countries, as well as the relevant principles of the Basel Committee, IAIS and IOSCO.

In addition to the development of FATF standards and recommendations, countries are mutually assessed for compliance with these standards. Thus, since 2004, Kazakhstan has been an associate member of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG).

Money laundering creates serious obstacles for market transformations in all segments of public activity, disrupting the normal course of the economy and all core economic institutions, undermining the ability of government agencies to control and manage the country's financial system.

In cooperation with the Financial Monitoring Agency of Kazakhstan (AFM), in 2022, the AIFC hosted an on-site EAG mutual evaluation mission, which demonstrated key aspects of the AIFC AML/CFT systems and their compliance with the requirements of the FATF. According to the AML/CFT Law of the Republic of Kazakhstan, AIFC participants are subjects of financial monitoring, and AFSA as the Financial Regulator is designated as the body that controls their compliance with the acting law of the AIFC on AML/CFT issues.

\$884
MILLION

volume of assets in the AIFC financial services sector

THE AIFC AML/CFT SYSTEM ARCHITECTURE IS A RISK-BASED SUPERVISORY AND REGULATORY MODEL WITH KEY LINES OF DEFENSE BUILT IN:

01

AFSA checks companies and their owners (due diligence) and studies the beneficial ownership structure using open and special information sources during the registration and authorisation (licensing) stage.

02

Internal policies and procedures of companies are analysed, executives are checked for professional compliance, and interviews with AML/CFT officers of companies are conducted.

03

Companies are assigned appropriate risk ratings, and "Risk Mitigation Programs" – a list of requirements and/or recommendations for a licence candidate company – are assigned. Only after their mandatory completion the company will be able to fully operate at the AIFC site.

04

Companies are overseen by curators, who conduct constant remote monitoring as well as scheduled or unscheduled field inspections. And it is important to note that the AFSA has sufficient powers, including the any information, and impose various proportional and dissuasive disciplinary and financial sanctions for non-compliance with the AIFC AML/CFT requirements.

REGULATION OF FINTECH

In order to develop financial technologies and innovations, the FinTech Lab has been operating in the AIFC since 2018. This is the first of its kind regulatory sandbox in Central Asia with a tailored live environment where companies can test innovative financial products and services for a certain period in a facilitated regulatory regime. Today, similar platforms operate in more than 30 countries around the world.

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.

With five years of efficient operation, the FinTech Lab has proved to be a highly popular destination for financial innovators from all over the world. Thus, over the years, AFSA received and processed about 300 applications, accepting 43 firms to the FinTech Lab.

FinTech Lab participants and potential candidates represent more than 20 jurisdictions (Hong Kong, the USA, Latvia, Canada, Singapore, etc.), offering various types of innovative financial products and services in the field of digital assets, money transfers, crowdfunding, payment systems, investment and banking business, Islamic finance, factoring etc.

An ongoing trend, the growing number of registered fintech firms proves the effectiveness of the financial centre's efforts to enhance fintech ecosystem and ensure sustainable economic growth, not only in Kazakhstan but also in the entire region.



'Blockstream Mining Note (BMN) was successfully listed on Bitfinex Securities Ltd., which is located in the Astana International Financial Centre. AFSA provided an appropriate regulatory regime for a successful listing. The listing was a groundbreaking achievement, as it was the first securities offering to be listed on Bitfinex Securities, and demonstrated the ease with which small start-ups can raise financing using blockchain technology.'

JL Van Der Velde
CEO of Bitfinex Securities



'We have been working closely with AFSA throughout the year and have managed to build professional relationships and develop a common vision for the development of the digital asset industry. We have received the AFSA licence in partnership with the Eurasian Bank. We continue to plan to carry out activities to work with digital assets in Kazakhstan and look forward to further fruitful cooperation with AFSA for the benefit of the country.'

Shukhrat Ibragimov
Founder and Chairman of Biteeu Eurasia

In addition, in 2019 AFSA, jointly with world-renowned regulators, launched a network of organisations committed to supporting financial innovations in the interests of consumers called the Global Financial Innovation Network (GFIN). To date, GFIN unites more than 70 global financial regulators and organisations, including the UK Financial Conduct Authority, the IMF, the World Bank Group etc. GFIN aims to create a new framework for cooperation between financial services regulators on innovation-related topics, share different experiences and approaches on issues related to regulatory technologies (RegTech), and enable companies to test innovative products, services or business models in several countries simultaneously, including Kazakhstan, the UK, the USA and other jurisdictions.

At the same time, in pursuance of the instructions of the President of Kazakhstan on the need to develop a comprehensive digital ecosystem, including blockchain technologies and the crypto industry, in 2022 the National Bank of Kazakhstan, ARDFM, MDDIAI, AFM, AFK and AFSA launched a Pilot Project on Collaboration of AIFC Crypto Exchanges with Kazakhstani Commercial Banks. The AIFC crypto exchanges admitted to the project have begun the active phase of executing fiat transactions with the help of Kazakhstani banks.

In general, the AIFC Financial Technology Rules and the pilot project rules are aimed at ensuring the sustainable development and functioning of the digital asset market, reducing risks, and consist in providing crypto exchanges with the following key measures (but not limited to them):

- Prevention of the use of crypto exchanges for the purposes of money laundering and terrorist financing. To do this, crypto exchanges are required to provide two key control systems: the first is the "know your customer" (KYC) procedure and the second is the "know your

transaction" procedure. In other words, crypto exchanges carry out not only identification and due diligence of each client, but also check his personal digital wallet and transaction history for signs of violation of AML/CFT laws.

- Guarantees of financial stability of crypto exchanges and minimum guarantees regarding the rights of investors. The pilot project rules establish requirements for the availability and maintenance of a minimum regulatory capital, which should primarily cover losses in case of loss of digital assets, for example, as a result of cyber-attacks on a crypto exchange.
- Protection of the interests of retail investors. The AIFC and pilot project rules provide for investment limits for retail investors in the amount of USD 1,000 per month (or more if income is confirmed); conducting testing (or classification) of clients to obtain the status of a qualified/professional investor; storage of digital assets in cold wallets.

In addition, the AIFC's regulatory environment ensures the protection of the interests of all categories of investors by the following measures: maintaining the adequacy of regulatory capital; disclosure of the general risks of digital assets in general and for each digital asset separately; approval of each type of digital asset by a crypto exchanges and AFSA before allowing it to be traded on the crypto exchange platform.

Today, AFSA is the only body that regulates the activities of fintech companies in Kazakhstan. It has licensed six companies to provide financial services for managing a digital asset platform, four of which are participating in the pilot project. At the end of the project, if necessary, amendments will be made to national legislation, as well as to the AIFC acts.

With the active assistance of the AIFC, in 2023, the Law of the Republic of Kazakhstan 'On Digital Assets' was developed and subsequently adopted by the President, as well as the accompanying amendments to legislative acts, which jointly provide the legal framework for the development of activities for the issuance and circulation of digital assets, digital mining in the Republic of Kazakhstan. The law provides the AIFC legal authority to establish the procedure for the conditions for the issuance, placement and circulation of unsecured digital assets (cryptocurrencies) on the territory of the AIFC. At the same

AFSA oversees its fintech companies with a fairly conservative approach, imposing various limits on the number of clients, transactions, and bans on business models with signs of anonymity. AFSA employs advanced blockchain data and transaction analytics solutions to identify suspicious transactions that involve, for example, Darknet, enhanced anonymity tools, mining and high-risk digital exchanges.



'AFSA is the only body regulating the activities of fintech companies in Kazakhstan. Before issuing a licence to fintech company that wishes to operate in the AIFC, we conduct a thorough and careful examination, and subsequently carry out continuous supervision of its activities. Our goal is to create an environment in which only reliable and sustainable companies that are trusted by customers operate.'

Nurkhat Kushimov
CEO of AFSA

time, the circulation and release, with the exception of mining, of unsecured digital assets in the territory of the Republic of Kazakhstan (except for the territory of the AIFC) is prohibited.

1,738 registered by AFSA
AIFC PARTICIPANTS

\$17.6 turnover of FinTech Lab participants
MILLION

INTERNATIONAL COOPERATION

AFSA pursues international cooperation as a reputable, reliable and trusted regulator of financial services operating in accordance with global standards and regulatory practices. Membership in bilateral and multilateral agreements on supervisory cooperation with regulatory bodies around the world has led to significant achievements, including:

- increasing recognition of the AIFC as an international financial centre as AFSA actively participates as a member of key global standard-setting organisations;
- ensuring compliance of the AIFC's legal and regulatory framework with leading international standards;
- facilitating oversight of cross-border business operations through AFSA's membership in multilateral and bilateral agreements on supervision and enforcement;
- strengthening regional regulatory cooperation in Central Asia, Central and Eastern Europe.

MULTILATERAL COOPERATION

International standards play an important role in ensuring transparency, efficiency, and fairness in financial markets. In this regard, AFSA pursues cooperation with global standard setters and keep regulatory framework of the AIFC aligned with latest developments and requirements of international financial development institutions and other organisations.

In order to apply highest standards relating to supervision and regulation of financial services in the field of capital markets, banking, insurance, Islamic finance, financial

technology, etc., AFSA has become a member of key international organisations:

- International Organisation of Securities Commissions (IOSCO);
- International Association of Insurance Supervisors (IAIS);
- Group of Banking Supervisors from Central and Eastern Europe (BSCEE);
- Islamic Financial Services Board (IFSB);
- Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI).

AFSA also regularly interacts with international organisations and initiatives such as:

- Organisation for Economic Cooperation and Development (OECD);
- Asian Forum of Insurance Regulators (AFIR);
- Corporate Registers Forum (CRF).

As a result of independent expert assessments and comprehensive reviews, AFSA has become a signatory to global agreements on cross-border supervision and enforcement with the right to exchange information and supervise international transactions, which has significantly contributed to the increase of foreign companies providing financial services in the AIFC:

- since 2019 – IOSCO Multilateral Memorandum of Understanding on Consultation, Cooperation and the Exchange of Information (MMoU) allows AFSA to collaborate on cross-border enforcement with 129 regulatory authorities who are also signatories of the MMoU and an integral part of the global capital market.

In 2021, AFSA became one of the five most active MMoU users among the new signatories of the IOSCO Memorandum.

- since 2020 – IOSCO Extended Multilateral Memorandum of Understanding on Consultation, Cooperation and the Exchange of Information (EMMoU) allows AFSA to perform cross-border enforcement cooperation in asset freezes to protect consumers, obtaining compelled testimony, and exchange of audit papers.

AFSA is the first regulator in the region of Central and Eastern Europe, Central Asia and the Caucasus to sign the EMMoU.

The EMMoU is the global benchmark for international cooperation in the enforcement of securities and derivatives laws and regulations, which supplements the MMoU adopted in 2002. The first MMoU adopted in 2002 has created a global framework for international cross-border cooperation and exchange of information among securities regulators. However, in response to an increased sophistication of capital markets functioning and latest technological developments the IOSCO has adopted the Enhanced MMoU in 2016. Signatories of 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, exchange of audit papers etc.

- since 2020 – the IAIS Multilateral Memorandum of Understanding on Cooperation and Information Exchange (MMoU) allows AFSA to collaborate with 78 insurance regulatory bodies worldwide on cross-border supervision of insurance entities. Candidates undergo a rigorous assessment of their professional confidentiality regime, which allows the signatory to rely on all other parties to adhere to this regime. Exchange of information is being executed under appropriate provisions and procedures to protect confidentiality of all counterparties.

AFSA became the 75th member of the memorandum, which in total account for about 76% of worldwide premium volume.

- since 2019 – IOSCO Administrative arrangement for the transfer of personal data between European Economic Area Authorities and non-EEA Authorities provides data protection when exchanging information with EU authorities.



'We are delighted to welcome Astana Financial Services Authority as a signatory to the MMoU. In order to achieve our goal of policyholder protection within the global insurance marketplace, an insurance supervisor must be able to cooperate quickly and effectively. The MMoU is an essential regulatory tool – not only in crises but on a day-to-day basis – for supervisors to foster safer and more stable insurance markets.'

Dr Vicky Saporta
IAIS Executive Committee Chair



SUCCESS STORY



SkyBridge Invest is a part of SB Capital, which provides a wide range of brokerage and asset management services, investment funds, investment banking services, IPO/SPO and mergers and acquisitions. The company was among the first to receive AIFC licence in 2018. Since its inception, the company has significantly scaled its activities in the AIFC. To date, it manages three investment funds, one of which is the first to be established in AIFC jurisdiction.

SkyBridge Invest has been actively working on bond and equity issuance and placements on AIX. Over the years, the company has contributed to the bond issuance worth over USD 2 billion. As a result, SkyBridge Invest was recognised as the Best Broker in Debt Instruments and the Best Corporate Banking Team. The company acted as one of the coordinators and bookrunners under the IPO of KazMunayGas, the largest oil and gas company in Kazakhstan, which took place on AIX and KASE.

The company appreciates the advantages of AIFC, particularly the flexibility of corporate law, the range of legal forms for companies most convenient for structuring M&A deals, setting up investment funds and structuring deals.

In recent years, the company has expanded its product range due to customer demand. The AIFC is becoming a number one choice for investors and clients, when comparing with other jurisdictions, thus developing deep capital markets, and attracting foreign investment into the country.

BILATERAL COOPERATION

AFSA actively develops bilateral cooperation with peer regulators from other countries around the world and financial centres. To date, AFSA has signed 44 bilateral agreements and memoranda of understanding. Such cooperation allows for the exchange of important information for regulatory and supervisory purposes regarding the reliability and integrity of legal entities and individuals at the authorisation stage. In addition, international cooperation contributes to the effective functioning of financial markets through the exchange of information during ongoing supervision to ensure transparency of cross-border transactions, investigation of violations and compliance with financial market laws.

Bilateral cooperation with regulatory bodies also serves an important function of facilitating cross-border transactions in specific industries. For example, in 2021, the European Securities and Markets Authority (ESMA) approved AFSA as a counterparty for cooperation with EU securities regulators for the supervision of alternative investment fund managers (AIFM).

As a result, AFSA has signed 18 MoUs with EU securities regulators opening 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 EU, as well as for EU firms to manage or market alternative investment funds in the AIFC.

REGIONAL COOPERATION AND INTERNATIONAL INITIATIVES

AFSA actively promotes regional cooperation in the financial markets and implements a number of important international initiatives.

In 2020-2021, AFSA chaired the Group of Banking Supervisors from Central and Eastern Europe (BSCEE). Under AFSA's chairmanship, Kazakhstan hosted the 33rd Annual Conference of the BSCEE for the first time, providing an opportunity to exchange information, best practices, and know-how in banking supervision, discuss prudential policy priorities in the pandemic context, developing supervisory technologies, accelerating digitisation, and more.

The event was attended by the top managers of central banks and banking supervisory authorities from 25 countries of the Central and Eastern Europe, as well as representatives of the International Monetary Fund, Basel Committee on Banking Supervision, European Central Bank and Financial Stability Institute of the Bank of International Settlements.

Since 2021, AFSA has been the coordinator of the Multilateral Memorandum of Understanding of the International Association of Insurance Supervisors

44 peer regulators from Europe and Asia formalised bilateral agreements and memoranda with AFSA

(IAIS MMoU) in the Central and Eastern Europe and the Caucasus (CEET) region. In this role, AFSA facilitates and enhances communication among IAIS members, the Signatories' Working Group leadership, and the IAIS Secretariat.

AFSA has also initiated high-level annual meetings on regulatory cooperation in Central Asia. Initiated in 2021, the event has become an annual forum for financial regulators from the AIFC, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. The meeting promotes and encourages regional cooperation in the field of regulation to increase the attractiveness of the Central Asian financial markets for investors, enhance liquidity of the market and accessibility of financial services. A Joint declaration was adopted reflecting intentions to utilise the potential of the AIFC to jointly develop the financial system, support cross-border economic initiatives in financial services

sphere, attract investments to the region, and strengthen cooperation among regulators.

Since 2018, annually under the auspices of the International Organization of Securities Commissions (IOSCO), AFSA has conducted World Investor Week, a global initiative aimed at raising awareness about consumer protection and promoting financial education and literacy.

World Investor Week is held annually by regulators in 100 countries under the auspices of IOSCO – an international organisation that unites the world's securities regulators. IOSCO members regulate more than 95% of the world's securities market in more than 115 jurisdictions. Hosting of the World Investors Week reflects AIFC's adherence to the IOSCO goals and standards on consumer protection in financial services.



AIFC LAW AND JURISDICTION

The AIFC is the first financial centre in the region with a special legal regime in the financial sphere.

The acting law of the AIFC is based on the Constitution of the Republic of Kazakhstan, and consists of the Constitutional Statute "On the Astana International Financial Centre" (hereinafter referred to as the Constitutional Statute) and the AIFC Acts, which may be based on the principles, legislation and precedents of the law of England and Wales and (or) the standards of the world's leading financial centres, adopted by the AIFC Bodies within the powers given by the Constitutional Statute. AIFC law can be used not only by investors and participants of the AIFC, but also by other individuals and legal entities that are not members of the AIFC.

The AIFC has a solid regulatory framework that meets the standards of the world's leading financial centres. Since the founding of the financial centre in 2015, a total of more than 80 AIFC Acts of general legal framework and financial services framework have been adopted.

The AIFC Acts cover most of the relationships that arise between AIFC-registered legal entities and other relevant parties on corporate, contractual, employment and other issues.

Members of the AIFC Legal Advisory Council were involved in the work on their development ensuring that the acts comply with the best international practices.

AIFC Legal Advisory Council (established in 2017) – a consultative and advisory body established to determine the framework for the AIFC Acts of general framework, the model and approaches for the development of the AIFC general legal framework acts, as well as their verification.

The Council is chaired by Michael Blair KC, as well as several reputable experts with extensive experience in commercial and financial regulatory law. The Council includes representatives of international law firms such as Hogan Lovells, Michelmores, Norton Rose Fulbright, White & Case, 3 Verulam Buildings Chamber.

During the period of its activity, 35 council meetings were held during which more than 100 draft AIFC Acts and other documents were approved.

35 

COUNCIL MEETINGS WERE HELD DURING THE PERIOD OF ITS ACTIVITY

100+ 

DRAFT AIFC ACTS AND OTHER DOCUMENTS WERE APPROVED



The legal framework of the AIFC is an example of the successful parallel functioning of English law and the national legal system. At the same time, borrowing foreign experience does not allow violation of the integrity and uniqueness of the Kazakh legal system.

The AIFC's legal system is constantly being improved, legal acts and rules, policies and regulations are reviewed and supplemented annually based on investor needs and best international practices.

LEGAL FRAMEWORK

CONSTITUTION	Constitution of the Republic of Kazakhstan			
CONSTITUTIONAL STATUTE	Constitutional Statute of the Republic of Kazakhstan 'On the Astana International Financial Centre'			
RESOLUTIONS OF THE AIFC MANAGEMENT COUNCIL	The Structure of the Bodies of the AIFC	AIFC Court Regulations	AIFC Arbitration Regulations	The Charter of the Astana Financial Services Authority
ACTS, ENACTED BY THE AIFC GOVERNOR	AIFC General Legal Framework Acts		AIFC Financial Services Framework Acts	
AIFC AUTHORITY /AFSA	The Rules derived from AIFC General Legal Framework Acts		The Rules derived from AIFC Financial Services Framework Acts	

The experience of leading international financial centres shows that a fundamental component of a favourable investment climate is a legal regime that is well known to the participants, allowing for protection of their interests and ensuring compliance with legal requirements through transparent and effective mechanisms for resolving disputes both in and out of court.

For example, London, New York, Hong Kong and Singapore are among popular choices of venue for judicial and out-of-court settlements of commercial and civil disputes, where disputes are resolved on the principles of objectivity, impartiality, fairness, as well as the possibility of enforcement of judicial and arbitral awards in many states of the world.

AIFC COURT

VISION



To be the leading court for the resolution of civil and commercial disputes in the AIFC and the Eurasia region.

MISSION



To establish and develop a fully independent common law judicial system for the expeditious resolution of civil and commercial disputes characterised by reliability, fairness and accessibility, unconditional application of the rule of law, and flexibility that is responsive to the needs of global business markets.

OBJECTIVES



1. Maintain the independence of the judges of the AIFC Court and uphold the trust and confidence of the international business and legal communities that justice will be administered at the AIFC Court free from external pressures and fully empowering the implementation of the rule of law.
2. Empower regional commerce by increasing confidence in the administration and accessibility of justice throughout the AIFC, Kazakhstan, the Eurasia region, and globally.
3. Be an innovative and technologically advanced commercial court and continually aim to improve working processes and standards.
4. Collaborate with and establish working relationships with other courts in Kazakhstan, the Eurasia region, and other jurisdictions, particularly those with close trading links to Kazakhstan.
5. Support the delivery of high-quality legal education and training to meet the needs of lawyers and judges in Kazakhstan and the Eurasia region.



'The AIFC Court provides an opportunity for investors working in Kazakhstan or planning to come to the region to meet honorable judges, procedures, practices and standards at the AIFC Court, similar to those in other major financial centres around the world. Experienced common law judges, renowned for their robust impartiality, integrity and incorruptibility are also a strong safeguard for a stable judicial system.'

Kassym-Jomart Tokayev
President of the Republic of Kazakhstan

The AIFC Court began its activities as an international institution for dispute resolution in 2018 and is the first institution in Eurasia with a judicial system based on rules and principles modelled on international standards including from England and Wales. The Court operates in accordance with the best international standards for resolving civil and commercial disputes.

In addition, the AIFC Court has exclusive jurisdiction over the interpretation of AIFC Acts when a dispute is in issue. The AIFC Court does not have jurisdiction in criminal and administrative proceedings, which is within the exclusive competence of the national courts of the Republic of Kazakhstan.

The AIFC Court consists of the Court of First Instance and the Court of Appeal, whose decisions are final. The AIFC Court has its own procedural rules modelled on the principles and procedures of the law of England and Wales and standards applied by the world's leading financial centres. There is a special fast track procedure for small claims up to USD 150,000 at the Small Claims Court.

Orders and judgments of the AIFC Court are enforceable as orders of the Courts of the Republic of Kazakhstan, supported by a robust enforcement system. They are also enforceable internationally under international treaties ratified by the Republic of Kazakhstan.

Court proceedings are conducted in English and other languages, which allows foreign lawyers and lawyers to participate in the process and makes the AIFC Court an attractive platform for resolving disputes involving foreign companies.

The AIFC Court uses its online dispute resolution system, eJustice, that enables parties to file cases at the AIFC Court electronically from anywhere around the world without having to be physically present in Astana.

The AIFC Court cooperates with leading international educational institutions to provide world-class professional legal and judicial education that contributes to the professional development of future lawyers and judges in the Republic of Kazakhstan.

The AIFC Court is composed of nine senior common law judges, and a Registrar, with impeccable reputations and experience, and internationally recognised for their absolute independence, impartiality, integrity, incorruptibility and adherence to the rule of law. All judges, when appointed, affirm before the President of Kazakhstan: '[I] ...will do right to all manner of people after the Constitution of the Republic of Kazakhstan and acting law of the AIFC, without fear or favour, affection or ill will.'

The judges, procedures, practices and standards of the AIFC Court are familiar to businesses operating in major financial centres around the world.

The first Chief Justice and founder of the AIFC Court was the Rt. Hon. the Lord Woolf CH, a globally recognised leader on dispute resolution. In 2020, Lord Woolf retired from the appointment of Chief Justice of the AIFC Court, and the Rt. Hon. the Lord Mance, the former Deputy President of the UK Supreme Court, a leading global expert in law, was appointed as the new Chief Justice of the AIFC Court.



'The AIFC Court has its own judiciary, a Registrar and Chief Executive, and staff. It has modern premises which are attractively furnished and equipped with the latest digital technology. What has been achieved in a short time scale is a remarkable achievement. It has required the support of the AIFC Governor, the Supreme Court of the Republic of Kazakhstan and its Chief Justice. All those involved deserve my sincere congratulations.'

Lord Woolf

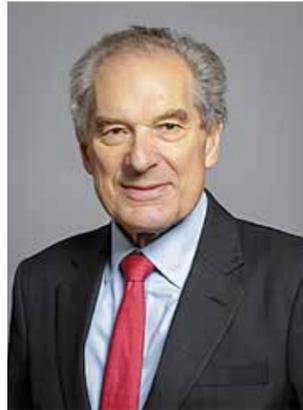
Lord Woolf is one of the most respected judges in the history of British jurisprudence in the fields of common law, litigation and dispute resolution, and legal education. He served as Chief Justice of the Courts of England and Wales, Judge of the Hong Kong Final Court of Appeal, and first President of the Qatar Financial Centre Civil and Commercial Court.

Lord Woolf oversees the Woolf Institute for Interfaith Affairs at the University of Cambridge, has been Chairman of the Board and Adjunct Professor of Law at University College London, Chairman of the Open University of Israel and Chairman of the Institute for Advanced Legal Studies.

In 2019, his book, *A Vision of the AIFC Court*, was published. Edited by C. Campbell-Holt, the Registrar and Chief Executive of the AIFC Court, Lord Woolf described the process of creating the AIFC Court and defined a vision for its future.

9
JUDGES

experienced and distinguished international judges and the Registrar



‘There are many reasons to apply to the AIFC Court:

First, the independence of the AIFC Court guarantees equal and fair protection of the rights of all investors, applying the best international standards of the rule of law. This independence is protected by me as Chief Justice of the AIFC Court, eight judges and a Registrar. Our judges are among the most experienced and respected judges in the common law world with a worldwide reputation for their absolute independence, impartiality, integrity, unconditional application of the rule of law and integrity.

Second, we have developed a comprehensive decision execution system. All judgments and orders are enforced in accordance with the enforcement procedures of the AIFC Court in Kazakhstan. International enforcement of judgments is supported by the AIFC Court.

Third, of course, our convenient and cost-effective online dispute resolution system.

Fourth, it is worth mentioning the geographical location of Kazakhstan. The AIFC Court is located between Europe and Asia, and for the first time in Kazakhstan and in the entire Eurasia region, we ensure the existence of a truly international world-class common law court in proximity, or at a relatively short distance, for business in Kazakhstan and Eurasia and international investors.’

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

Christopher Campbell-Holt is the Registrar and Chief Executive of the AIFC Court. He is also Enforcement Judge of the AIFC Court. He managed the establishment of the AIFC Court and IAC from initial concept to recognised stand-alone premier international dispute resolution institutions in Eurasia. He is responsible for the day-to-day management and administration of the Court and case management of litigation before the Court to the extent delegated or directed by the Chief Justice. As Enforcement Judge, he is responsible for issuing execution orders of Court judgments and orders.

Christopher Campbell-Holt is a member of the AIFC Legal Advisory Council, which reviews and approves AIFC law modelled on the common law. He was a member of the Working Group on Judicial and Legal Reforms of the Supreme Council on Reforms of the Office of the President of the Republic of Kazakhstan. He is also a member of the International Council of the Supreme Court of the Republic of Kazakhstan, which advises on reform of the Kazakh courts and dispute resolution.

7,500 providing for
AIFC dispute
resolution
BUSINESS CONTRACTS

41 arbitrators and mediators
on the IAC Panel

INTERNATIONAL ARBITRATION CENTRE



The International Arbitration Centre, which commenced operations in 2018, is an independent, cost-effective and expeditious alternative to court litigation, operating in accordance with the best international standards for resolving civil and commercial disputes in the AIFC.

The IAC offers a range of out-of-court dispute resolution methods, including arbitration and mediation, with maximum flexibility and responsiveness to the needs of the parties.

Arbitration awards of the IAC are recognised and enforceable in the Republic of Kazakhstan as orders of the AIFC Court, supported by a robust enforcement system. They are also enforceable internationally under the 1958 New York Convention.

In 2022, the IAC launched IAC Chambers, a one-stop-shop dispute resolution professional support services centre, the first of its kind in Eurasia. This service has been modelled on and in cooperation with the world’s best dispute resolution professional support centres, such as Maxwell Chambers in Singapore and the International Dispute Resolution Centre in London.

The IAC has its own Panel of outstanding international arbitrators and mediators from Europe, Asia, the USA, India, Singapore, and Hong Kong, who have extensive experience in commercial and civil law and operate solely on the principles of independence, impartiality and integrity.

The first Chairman of the IAC and its founder was Barbara Dohmann KC, one of the UK’s leading commercial barristers and an international arbitrator, held the position of the first chairman of the IAC and its founder. In early 2023, she was succeeded by Thomas Krümmel, a member of the IAC Panel of Arbitrators with many years of experience in international arbitration and mediation.

VISION



To be the number one choice for resolution of civil and commercial disputes by arbitration and alternative dispute resolution in Eurasia.

MISSION



To establish and develop a fully independent arbitration and alternative dispute resolution system for the expeditious resolution of civil and commercial disputes characterised by reliability, fairness and accessibility, unconditional application of the rule of law, and flexibility that is responsive to the needs of global business markets.

OBJECTIVES



1. Provide world-class services of settling national and international commercial disputes through arbitration, mediation and other methods of alternative dispute resolution, in accordance with the IAC Arbitration and Mediation Rules or the rules agreed upon between the parties of a dispute.
2. Empower regional commerce by increasing confidence in the administration and accessibility of dispute resolution throughout the AIFC, Kazakhstan, the Eurasia region, and globally.
3. Be an innovative and technologically advanced international arbitration centre and continually aim to improve working processes and standards.
4. Collaborate with and establish working relationships with other international arbitration centres in Kazakhstan, the Eurasia region, and other jurisdictions, particularly those with close trading links to Kazakhstan.
5. Promote awareness of the methods of alternative dispute resolution through conferences, symposia, workshops, training courses, specialist publications and printed material, and by other means.



Barbara Dohmann KC has over 30 years' experience in international arbitration, and has been appointed as arbitrator at ICSID, at the LCIA, at the London Metal Exchange (where she is an Arbitration and Arbitration Appeals Panel member), at the Paris International Chamber of Commerce, and at the Hong Kong International Arbitration Centre.



Thomas Krümmel has many years of international arbitration and mediation experience as a global leader in the law with specific experience of commercial dispute resolution from Europe, particularly in Germany, where he is a Partner at the law firm Meyer-Köring in Berlin. His clients include corporate developers, large bank and investor consortiums, construction enterprises, high net worth individuals, family offices and other private clients from around the world.

Christopher Campbell-Holt is the Registrar and Chief Executive of the International Arbitration Centre (IAC). He managed the establishment of the AIFC Court and IAC from initial concept to a recognised stand-alone premier international dispute resolution institution in Eurasia. He is responsible for the day-to-day management and administration of the IAC, case management of arbitrations and mediations before the IAC, and the appointment of mediators at the IAC as provided by the IAC Arbitration and Mediation Rules.

He has 20 years of international legal experience gained while living and working in the UK, the USA, the Middle East and Central Asia. He was the Registrar at an international financial centre commercial court and alternative dispute resolution centre in Qatar. He also worked at the international law firm Norton Rose Fulbright, in London, UK, and at a Middle East law firm partnered with the international law firm Covington and Burling LLP, in Doha, Qatar.



'The year 2022 has been another very successful one for the IAC. At this stage of the Centre's work, an unprecedented number of arbitration awards and mediation agreements have been issued. We have successfully collaborated with arbitrators, mediators and alternative dispute resolution partner institutions from around the world. The IAC has hosted a large number of webinars and training programs on arbitration and mediation issues, and generally contributed to the promotion of these services in Eurasia. Investors can be confident in the long-term future of the IAC as an independent, world-class arbitration and mediation centre. The succession is ensured by the appointment of Thomas Krümmel, member of the IAC Panel of Arbitrators and Partner of the international law firm Meyer-Köring (Berlin, Germany).'

Barbara Dohmann KC
First Chairman of the IAC
and its founder

ADVISORY BODIES ON LEGAL MATTERS

In order to further expand the AIFC's jurisdiction, advisory bodies on legal issues have been established in the following areas:

1) AIFC Advisory Panel on Legal Regulatory Matters (in operation between 2019 and 2022) – a consultative and advisory body established to ensure the implementation of the best global practices on regulation of legal services, provision of strategic advice and expertise on legal regulatory matters, definition of methodology and approaches for the development of relevant AIFC Acts. The panel was composed of leading experts in the regulation of the legal profession with extensive experience in providing advisory services, and designing and implementing reforms to the regulation of legal services globally.

The Advisory panel developed a strategic vision for the regulation of legal services in the AIFC, including the concept of legal regulation, and legal education and training. It also developed a draft concept for the establishment of the AIFC Legal Services Board, which was founded in 2022.

2) AIFC Legal Services Board (established in 2022) – a designated body created to introduce a regulatory regime for legal services, ensuring high professional standards of competence, ethics and integrity in the provision of legal services in the AIFC.

The Board is chaired by Simon Cox (Norton Rose Fulbright), who has been a member of the AIFC Legal Advisory Council since 2017. The Board also includes representatives of the AIFC bodies and AIFC Academy of Law, partners of Seven Pillars Law, Kinstellar, Grata International, AGZ ZanHub, AEQUITAS, and Berg & Moll law firms.

Board members, together with leading experts in the field of regulation of legal services in England and Wales, took part in the development of the concept and main approaches to the regulation of the legal profession in the AIFC. An appropriate

legal framework has been adopted, including AIFC Legal Services Regulations. Amendments were made to the AIFC General Rules, Conduct of Business and other rules that establish standards for the provision of legal services in the AIFC and the professional development of lawyers.

Today, the Council has registered more than 100 lawyers from 9 countries (Kazakhstan, the UK, the USA, India, UAE, Qatar, Italy, Kyrgyzstan and Russia), most of whom are representatives of large law firms recognised by Legal 500 and Chambers and Partners.

3) the AIFC Advisory Council on the Development of LegalTech (established in 2020) – a special body for the development of LegalTech ecosystem in the AIFC, formed to improve the efficiency and quality of legal services and make them more accessible.

The Chairman of the Advisory Council is Mark Beer. The Council also includes 11 members, recognised experts in the field of law and legal technology from the academic and business communities in the UK, the USA, Europe and Asia. These world-class experts provide strategic advice and solutions, assist in expanding international cooperation and help to improve the AIFC's regulatory framework.

The Advisory Board adopted a number of documents that approve the further development of digital tools for conducting legal practice.

Initiatives such as Ask a LegalTech Expert to provide free consultations, the region's first LegalTech certification program in conjunction with the AIFC Academy of law, hackathons, educational lectures and seminars in conjunction with the European Association of Legal Technology, Legal Technology Institute and the New Law Academy are being implemented.



GOOGLE PLAY



IOS

AIFC Law is a mobile app designed to educate anyone interested in AIFC jurisdiction. The application allows users to learn about the legal framework of the AIFC by getting acquainted with the AIFC Acts both online and offline, watching educational videos, testing their knowledge, reading the latest news, as well as getting up-to-date information about upcoming AIFC events such as seminars, webinars and many other courses.

KEY ACHIEVEMENTS

The AIFC Court and IAC have played a significant role in recognising the AIFC as the centre for resolving commercial disputes in the region and in increasing investor confidence in the financial centre and in Kazakhstan as a whole.

Since the commencement of operations, the AIFC Court and IAC have accepted 1,644 cases for consideration, consisting of court and arbitration decisions, and mediation settlements. These results were unprecedented for dispute resolution institutions in an international financial centre that had only been in operation for five years.

Commercial disputes involved parties from 22 states, most of which were CIS countries and key trading partners of Kazakhstan, such as China, India, Canada, countries of Central Asia and Eastern Europe and other participants in the 'AIFC Court and IAC Belt and Road Initiative'. The wide geography of the parties testifies to the international recognition of the AIFC dispute resolution institutions in the global, regional and local markets.

The disputes involved a wide variety of commerce and investment related matters including finance, construction, trade, and employment. The applicable laws in the disputes were the laws of the AIFC, Kazakhstan and Russia. All judgments and arbitration awards were enforced throughout the entire territory of Kazakhstan to 100% satisfaction using the AIFC Court's enforcement procedure.

During the COVID-19 pandemic, the AIFC Court and IAC took immediate measures to provide online quick, easy to use access to all dispute resolution services, including via digital hearings.

The AIFC Court and IAC model dispute resolution clauses were included in more than 7,500 business contracts including the contracts of Chevron Tengizchevroil and North Caspian Operating Company (NCOC) in the amount of USD 2 billion.

The AIFC Bodies can be selected as dispute resolution institutions under the Strategic Investment Agreements, which are concluded by investors registered in the AIFC directly with the government of Kazakhstan in the jurisdiction of the AIFC. As of today, there is already one agreement with a foreign investor, signed on these terms. The investor's right to apply to the AIFC Court and IAC

1,644 accepted for consideration by the AIFC Court and IAC
CASES

also applies to model contracts for the implementation of an investment project.

In addition, within the framework of contracts for conducting subsoil use operations in the field of hydrocarbons (improved model contract), it was envisaged for the IAC to resolve disputes relating to these contracts.

INTERACTION WITH THE NATIONAL JUDICIAL SYSTEM

The AIFC Court and IAC are independent of the national judicial system, but, recognising the importance of cooperation, have established close cooperation with the Supreme Court of the Republic of Kazakhstan. The transfer of cases procedure was adopted in 2021 and was designed to ensure the prompt and effective transfer of commercial disputes, upon the written consent of the parties, from the national courts of the Republic of Kazakhstan to the AIFC Court and IAC. So far, the AIFC Court has given judgments in five disputes referred by the national courts to the AIFC Court. The AIFC Court and IAC also advise the national courts of the Republic of Kazakhstan on court modernisation and provide regular training to the judges of those courts.

INTERNATIONAL PARTNERSHIPS

International cooperation is an important part of the work of the AIFC Court and IAC. 59 memoranda of understanding were signed with various dispute resolution institutions from Kazakhstan, the UK, Russia, Hong Kong, China, Singapore and other countries. The key areas of cooperation were ensuring and promoting the rule of law, international and regional recognition of the AIFC Court and IAC among the legal and arbitration communities, the development of legal education and professional training, research initiatives, and joint information campaigns.

For the purpose of international promotion, the AIFC Court and IAC gave more than 60 presentations at local, regional and international conferences, including with the participation of key partners of the AIFC Court and IAC from Asia and Europe.

The AIFC Court is also a permanent member of the Standard International Forum of Commercial Courts (SIFoCC), where Chief Justices and Registrars of Courts from more than 40 jurisdictions meet annually and cooperate.



'We are pleased that the AIFC Court and IAC are increasingly trusted by the local, regional and international business communities as safe institutions for commercial dispute resolution that is expeditious, cost-effective, reliable, and always applying the highest international standards of the rule of law.'

Caseload has increased steadily and considerably ahead of time compared to other international financial centre common law courts and arbitration centres at this stage of development. We continue to gain considerable international recognition among global corporations as the first choice for commercial dispute resolution in Eurasia.

We have plans in place to continue this progress and enable the AIFC Court and IAC to protect investors' rights in accordance with the highest international standards for years to come.'

Christopher Campbell-Holt
the Registrar and Chief Executive of the AIFC Court and IAC

PROMOTION AND DEVELOPMENT OF THE PROFESSIONAL COMMUNITY

The AIFC is constantly working to promote and improve the AIFC jurisdiction, as well as to attract new participants through cooperation with law firms and associations to implement the best world practices. To date, 47 companies have been registered in the AIFC ecosystem as participants in the financial centre.

In 2019 the AIFC opened Law Pro Bono office. Here, AIFC member law firms provide free access to legal advice on issues arising within the AIFC's jurisdiction. Since the launch, 90 sessions have been held, and about 170 clients have been consulted.

The AIFC Court and the IAC are committed to supporting the provision of quality legal education and training to meet the needs of lawyers and judges in Kazakhstan and the Eurasia region, which is a common practice for courts and arbitration centres of world financial centres.

The AIFC ecosystem also operates the AIFC Academy of Law, a platform for the provision of professional legal education services in Eurasia and beyond.

In addition, since its inception, the AIFC Court and IAC have been holding annual competitions for students from various universities in Kazakhstan and the rest of the world with the aim of developing a range of practical skills among law students. Since 2021, the IAC Central Asia Vis Pre-Moot student competition, which supports students to explore alternative dispute resolution methods, was held annually with participation of more than 300 students from 60 countries.

59 cases accepted for consideration by the AIFC Court

1,585 mediation and arbitration cases accepted for consideration by the IAC

440 from 31 jurisdictions (29 countries) registered at the AIFC Court for rights of audience
LAWYERS

57 with various dispute resolution institutions
MoUs

TRADING INFRASTRUCTURE

The Astana International Exchange (AIX) was established in 2017 with the aim of developing a securities market in Kazakhstan and ensuring its integration with international capital markets as defined by the Constitutional Statute 'On the AIFC'. The AIX operates within the jurisdiction of the AIFC, which is modelled on common law and regulated by AFSA, an integrated regulator of financial services. The AIX commenced operations in 2018.

MISSION



To develop trusted and liquid capital markets in Central Asia and beyond by providing innovative products and services for businesses and investors.

In only five years, the AIX has created a world-class capital market and established itself as a reliable and secure trading platform that provides a complete business cycle, including trading and clearing operations.

The AIX has provided global investors with access to Kazakhstan, while also enabling local and international issuers to raise funds in the Kazakhstani and global markets.

The exchange operates a high-tech Nasdaq trading platform with T+2 settlement and depository infrastructure connected to local and international custodians.

The AIX became the first exchange in the world to migrate its core trading infrastructure, the Nasdaq trading engine, onto the Amazon Web Services (AWS) cloud, thereby enhancing the efficiency of its trading services while delivering agility and scalability to the investment community.

\$2.4 of debt capital raised on AIX
BILLION

In 2019, the AIX became the only stock exchange in Central Asia to obtain the status of a recognised stock exchange from the United Kingdom's HM Revenue & Customs (HMRC). This status enables holders of securities listed on the AIX to take advantage of certain favourable treatments under the UK tax laws, depending on their individual circumstances and conditions applicable under such laws.

The AIX is a full member of the Federation of Euro-Asian Stock Exchanges (FEAS) and became a full member of the World Federation of Exchanges (WFE) in 2021, which is the global industry group for exchanges and CCPs that represents over 250 market infrastructure providers.

Since its inception, the AIX has been supported by experienced and influential strategic partners such as the Shanghai Stock Exchange, the industry giant Nasdaq and the Silk Road Fund, which provides access to projects under the Belt and Road Initiative.

17,000 individual accounts in Tabys app

In 2020, the AIX was recognised as an eligible trading venue within the Ground Rules for the FTSE Frontier Index Series (frontier markets). The addition of the AIX ensures that the exchange's infrastructure and liquidity pool are considered as a measurement factor contributing to the FTSE Frontier Index rating position for Kazakhstan. It also assists in the country's medium-term objective of achieving Secondary Emerging Market status.

The AIX strives to maintain the highest standards of business processes. In 2022, the AIX confirmed its compliance with global standards ISO 27001, ISO 27032, ISO 27018 and ISO 27017 that demonstrates the AIX's commitment to providing a strong foundation for information and cybersecurity systems, data protection and information security. These standards cover assurance of the full business cycle, including trading, clearing, settlement, depository and registry.

30 AIX trading members

KEY ACHIEVEMENTS:

Despite the impact of the COVID-19 pandemic and the economic downturn that began in 2020, as well as geopolitical tensions that created turbulence in global financial markets in 2022, the AIX still managed to maintain stability and a high level of interest from international investors and issuers from Kazakhstan, Central Asia and beyond. In its first five years of operation, the AIX has achieved significant results:

The AIX became the first exchange in the world to fully migrate its core trading infrastructure to the Amazon Web Services (AWS) cloud at the end of 2020.

- The AIX's official list contains 129 securities of 85 different issuers, including stocks and global depository receipts (GDRs), bonds and exchange-traded notes (ETNs).
- Debt capital raised amounted to about USD 2.4 billion, and equity capital equalled USD 356 million.
- The stocks/GDRs of large issuers such as KazMunayGas, Kaspi.kz, Kazatomprom, Halyk Bank, Bank CenterCredit, Ferro-Alloy Resources, Polymetal and others were successfully listed.
- The AIX's trading volume for 2022 reached USD 173 million.
- The AIX's ecosystem has 30 trading members, including brokers from Kazakhstan, China, Europe and neighbouring countries.
- The AIX Central Securities Depository (AIX CSD) has registered 523,000 investor accounts.

LISTINGS

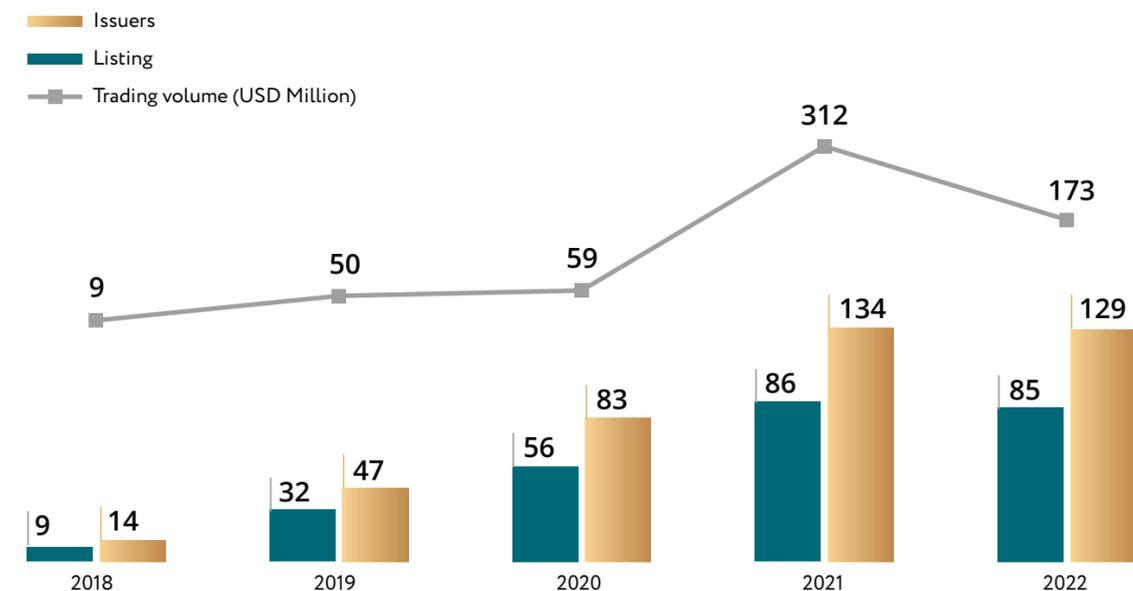
The AIX provides a high-tech platform for listing and trading a wide variety of instruments in national and foreign currencies, such as shares (e.g., standard listing, instruments for small and medium-sized businesses), depository receipts, bonds (e.g., sovereign and corporate bonds, Islamic, green, ESG bonds), exchange-traded funds and notes (ETF and ETN) and instruments for junior mining.

The AIX's listing requirements are based on the best standards of the UK Listing Authority (UKLA) and the European Union, which makes AIX's operating rules familiar to foreign investors and issuers. The system of recognising foreign stock exchanges by AIFC allows for an accelerated cross-listing of securities on the AIX.

As of the end of 2022, the official AIX list included 129 securities of 85 different issuers.

\$356 of equity capital raised on AIX
MILLION

ISSUERS, LISTINGS AND VOLUME OF TRADES ON AIX, 2018-2022



EQUITY

The AIX is a local platform for primary and secondary public offerings of shares and GDRs, as well as for direct and cross-listing of private sector companies and national portfolio companies of the Samruk-Kazyna Fund within the Comprehensive Privatisation Plan that was approved by the government of Kazakhstan.

During five years of operations, the amount of attracted equity capital on AIX exceeded USD 350 million (+10% in 2022).

During three successful placements in 2018–2020, 25% of shares and GDRs of the national company Kazatomprom were sold on the AIX, and approximately USD 790 million was raised on LSE and AIX, of which about USD 204 million (26%) was raised through the AIX. One-third of the raised capital on the AIX came from foreign investors, demonstrating their high level of interest in the AIX platform.

In 2019, the AIX welcomed its first foreign issuer, Polymetal, the largest mining company. Listing on the AIX (and on LSE and MOEX) provided Polymetal with an opportunity to diversify and expand its investor base and raise the company’s profile among the investors in the region.

Significant listings worth noting is the IPO of a Kazakhstani fintech company, Kaspi.kz, which took place on the LSE and AIX in 2020. The company was valued at USD 6.5 billion, making it the most valuable publicly traded Kazakhstani company. The successful IPO on AIX indicated the need for further development of an integrated capital market in the country and the potential opportunities for private high-tech companies.

Within the next two years, Air Astana, Samruk-Energy’s green assets portfolio, KEGOC, QazaqGaz and Kazakhstan Temir Zholy are also planning to become public.

In 2022, the leading national oil and gas company, KazMunayGas, conducted its IPO exclusively in the local market (AIX, KASE) in a deal that became one of the largest for the stock market of Kazakhstan. Of note, applications worth KZT 154 billion (USD 327 million) were completed. Of this KZT 154 billion, 11%, or KZT 16.4 billion (USD 35 million), was raised on the AIX platform and via the Tabys mobile application by using a direct subscription tool. Even though the IPO targeted mainly local retail investors, the AIX recorded significant interest from foreign investors.



‘For the AIX platform, this is the second IPO of a national company, and we greatly appreciate the decision of the government of Kazakhstan and Samruk-Kazyna Fund to conduct the privatisation of KazMunayGas exclusively in the local Kazakhstani market. This is important because our common task is to build a modern, integrated stock market that contributes to the development of domestic business, allows Kazakhs to receive their share of the national wealth through investments and attracts foreign capital into the economy of Kazakhstan that provides a new impetus for growth.’

Timothy Bennett
Chairman of the Board
of Astana International Exchange

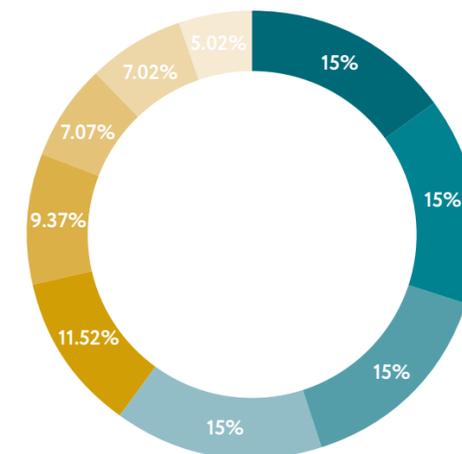
AIX QAZAQ INDEX

In 2021, the AIX launched the AIX Qazaq Index (AIXQI), which is a market capitalisation-weighted index that is comprised of equity and GDR securities of eight Kazakhstani and Kazakhstan-linked companies traded on stock exchanges. Kazakhstani companies include those registered in Kazakhstan, whose business income is generated partially or fully in Kazakhstan, or those with a substantial amount of operational activity in Kazakhstan.

The AIXQI was created primarily for improving the investment process by measuring the performances of the most liquid segment of the Kazakhstan capital market and the possibility of comparing potential investment strategies with this new index.

With the help of AIXQI, investors have the opportunity to assess the market’s performance and to invest in new exchange-traded notes linked to an index (AIX Qazaq Index and AIX Qazaq Index Active) listed on AIX. The AIXQI is available for trading on the exchange and via the Tabys app for retail investors.

CONSTITUENTS OF THE AIX QAZAQ INDEX
(as of January 2023)



- KazMunayGas
- Halyk Bank
- NAC Kazatomprom
- Kaspi.kz
- Kcell
- Kazakhtelecom
- KazTransOil
- Central Asia Metal
- Bank CenterCredit

DEBT SECURITIES

A favourable trading infrastructure, a reliable regulatory framework and a wide variety of new exchange instruments have contributed to the successful development and growth of the debt market on the AIX. During the past five years, the debt capital raised by AIX issuers reached approximately USD 2.4 billion (+55% in 2022).

The requirements for issuers on the official list of the AIX are equivalent to the requirements of the London Stock Exchange. This is a high standard for many companies, including national ones, primarily in terms of information disclosure, corporate governance, transparency and independent directors.

Major placements of debt instruments on AIX included the following:

- Bonds of Halyk Bank under a bond programme (total volume USD 482 million);
- Bonds of Eurasian Development Bank (total volume USD 200 million);
- Debut 5-year Eurobonds of Samruk-Kazyna Fund (total volume USD 500 million on AIX, KASE and LSE; AIX total volume USD 57 million);
- Cross-listing of KazMunayGas bonds on LSE (total volume USD 6.2 billion);
- Bonds of BI Group’s subsidiary construction holding, MegaStroy, under a nine-year debt instruments programme (total volume KZT 20 billion); and
- Debut bonds of Nef Qazaqstan (total volume KZT 6 billion) and others.

Kazakhstan’s Ministry of Finance also conducted Eurobond offerings amounting to USD 2.2 billion (on AIX and LSE) and placed Russian RUB-denominated bonds amounting to RUB 80 billion (on AIX and MOEX).

523 accounts
in AIX CSD
THOUSAND

129 listings
of 85 different
issuers

SUCCESS STORY



AEQUITAS is one of the leading Kazakh law firms with a 30-year history in the global legal services market. The company's lawyers are regularly involved in drafting and reforming the most significant regulations governing market relations and the conduct of commercial activities in Kazakhstan. The company obtained a licence to provide legal and consulting services on the AIFC platform in 2019.

One of the main advantages to doing business on the platform has been the opportunity to interact with AIFC members, who are mostly representative offices of major international companies. Over the last few years, the number of registered companies in the AIFC ecosystem has significantly increased, so that the company benefited from the expansion of client network and opportunity to provide legal and consulting services. This factor was fundamental to the choice of AIFC as a platform for its activities.

Over the past year, the company completed over 20 projects, ranging from company registration with AIFC to complex regulatory projects, including those related to financial and tax practices.

In 2022, AEQUITAS Partner became a member of the AIFC Legal Services Board, a special body established to ensure the safety and reliability of the legal services market in the AIFC. Board members, together with leading experts in the field of regulation of legal services in England and Wales, took part in the development of the concept and main approaches to the regulation of the legal profession in the AIFC. AEQUITAS lawyers also take an active part in various educational programmes conducted within the AIFC, thereby increasing awareness and professional qualifications.

The AIFC also aims to become a key platform in Central Asia for listing sukuk and other products that comply with the principles of Islamic finance. In 2020, AIX hosted the cross-listing of a USD 500 million sukuk issued by the Qatar International Islamic Bank (QIIB), as well as the cross-listing of three issues of sukuk by the Islamic Development Bank (IDB) totalling USD 4.5 billion (green sukuk, sustainable sukuk and traditional sukuk).

In 2022, the first Shari'ah-compliant exchange-traded notes, the iX Islamic Exchange Traded Notes, were listed on the AIX with the shares of iShares MSCI World Islamic UCITS ETF (ISDW) as underlying assets. ISDW is one of the largest Islamic funds investing in accordance with Shari'ah law.

As part of the AIX Belt and Road market, the AIX hosted the debut listing of RMB bonds (Falcon bonds) of the China Construction Bank Astana Branch (CCB Astana Branch) in the amount of 1 billion yuan (about KZT 63 billion). The funds raised were used to finance local infrastructure projects and projects of the Belt and Road Initiative in Kazakhstan. Further listings in this market will promote the AIFC as the RMB settlement and clearing regional centre for Central Asia.

The AIFC is closely monitoring the development of green and sustainable financing in Kazakhstan and the Central Asian region. In 2019, the AIX adopted the Green Bonds Rules that are based on the Green Bond Principles of the International Capital Markets Association (ICMA) and the Climate Bonds Initiative (CBI).

In 2020, as part of an agreement with the United Nations Development Programme (UNDP) to reduce investment risks in renewable energy, the 'Damu' Entrepreneurship Development Fund made its first listing of green bonds in Kazakhstan for KZT 200 million on the AIX, with the aim of financing more small and medium-sized enterprises. In 2021, Samruk-Energy listed its debut green bond in the amount of KZT 18 billion.



'We welcome Qatar International Islamic Bank in your market. We believe this listing is a good signal to the market and will kickstart the promotion of Islamic instruments in the region.'

Dr. Abdulbasit Al-Shaibei
CEO of Qatar International Islamic Bank

In 2021, the Eurasian Development Bank, the leading bank in the Eurasian Economic Union (EAEU) in implementing sustainable development projects, successfully listed its debut social bond worth KZT 20 billion on the AIX and KASE platforms. The issue raised investors' interest, resulting in total demand of KZT 30 billion on both exchanges. The issue was verified in accordance with the ICMA's Social Bond Principles and confirmed by an accredited agency's independent opinion.

Since 2022, the range of responsible financing products on the AIX has been expanding following the introduction of a new chapter to the AIX Business Rules on the issuance and listing of ESG-labelled bonds that may include social and sustainability and other ESG-labelled bonds such as blue bonds, transition bonds and sustainability-linked bonds on AIX.

ETN

In 2019, the AIX expanded its range of financial instruments for investors by listing exchange-traded notes (ETNs), which allowed local investors to invest globally.

The returns of the iX ETNs are expected to closely replicate the returns of the underlying market indices, minus investors' expenses. iX ETNs can be bought and sold on the AIX in the same way as ordinary shares, allowing investors to get the value of underlying assets in monetary terms, minus expenses, when redeemed. Global institutional and retail investors have been using exchange traded products for many years to diversify their investments at low costs.

As of the end of 2022, the official list of AIX included 20 exchange-traded notes linked to global financial indices, such as the S&P500, Nasdaq-100, US company bonds, US Treasury bonds, stocks and bonds of emerging markets, Kazakhstani 'blue-chip' stocks, gold, Brent oil and bitcoin.

SUCCESS STORY



Brillink Bank is the world's first digital bank in supply chain finance. Registered at AIFC since 2020, the bank provides customers with reliable and speedy digital banking services based on cutting-edge technology. Since its launch, the company has already opened more than 400 accounts and increased the transaction volumes.

AIFC was selected as the primary location due to its favourable operating environment, robust legal and regulatory regime for the development of innovative financial and technology services and the growing RMB market. AIFC has a strong reputation among global financial centres and enjoys a high profile in the region of Eastern Europe and Central Asia.

Kazakhstan's favourable geographical location on the 'middle belt' between China and Europe, and at the heart of the Belt and Road Initiative, has facilitated development of banking services to serve large industrial and logistics corporations with business presence in these countries.



'As the first operating institution for CCB in Central Asia, the China Construction Bank Astana Branch successfully launched the first RMB bonds, or Falcon bonds, under the strategic cooperation framework of our two countries. The CCB Astana Branch will work with the AIFC and the AIX on building the offshore RMB centre which implemented the joint communiqué issued after bilateral talks between President Xi Jinping and President Kassym-Jomart Tokayev outlining the promotion of bilateral local currency settlement jointly by China and Kazakhstan.'

Songhua Wang
CEO of China Construction Bank Corporation Astana Branch

DEVELOPMENT OF RETAIL INVESTOR BASE

The development of the retail investor base is strategic for the AIX. Since its launch, the AIX has observed a constant increase in the activity of retail investors. To date, the AIX CSD registered 523,000 investor accounts, with the largest increase of 230% in 2022. This increase was mainly observed due to the launch of a wide range of AIX financial products to satisfy the growing demand of investors, and the Tabys mobile application developed by the AIX that became very popular. The app's launch was driven by the global trend of developing online services for investors with the ability to remotely open accounts during the COVID-19 pandemic.

The Tabys mobile application allows any citizen of Kazakhstan to invest in global and local stock markets using 16 types of ETNs. Since its launch, the volume of investments through the Tabys app has exceeded USD 3.0 million (+12% in 2022). The trading volume in 2022 amounted to USD 3.5 million, and the total number of active investors rose to 17,000, with the largest share coming from the cities of Astana, Almaty, Shymkent and Karaganda.

In 2022, the AIX introduced a direct subscription platform, providing all citizens of Kazakhstan with ample opportunities to participate in the IPOs of national and

private companies in the AIFC. The tool enables investors to submit bids directly to the shareholder during IPOs without intermediaries (brokers or underwriters). The direct subscription was widely used during the IPO of KazMunayGas that was held in 2022 via the Tabys app and Kazpost branches throughout all regions of Kazakhstan.

We observed the active participation of retail investors during IPO of KazMunayGas thanks to the direct subscription tool that was used for the first time in the history of Kazakhstan's stock market. As a result, almost 6,000 applications for over KZT 1.0 billion were submitted via the Tabys app and Kazpost branch network.

MARKET SEGMENTS

MINING SEGMENT

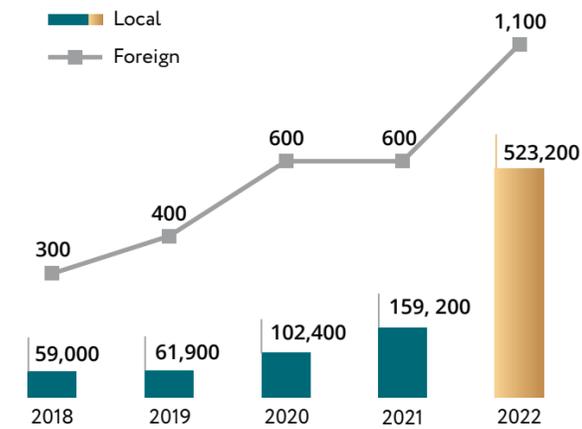
In 2019, the AIX approved Mining Company Rules that provide favourable conditions for attracting financing for enterprises in the mining sector. These rules apply a differentiated approach that separates large mining companies in advanced stages of development from junior companies with a higher degree of risk and potentially higher returns. Depending on the tier assigned, mining companies are exempt from net income and minimum market capitalisation listing requirements. At the same time, issuers are required to demonstrate that they employ qualified management and technical personnel, and use geological reporting, as evidenced by independent experts in accordance with best international mining industry standards – JORC, NI 43-101 and KAZRC. Requirements for placement in the AIX mining segment are comparable to the requirements of recognised global exchanges, such as the Toronto and Australian stock exchanges, where mining companies are traditionally listed.

REGIONAL EQUITY MARKET SEGMENT (REMS)

In 2020, the AIX launched a new REMS segment to support growing companies in Kazakhstan and Central Asia by considering the needs of small and medium-sized issuers. The new segment allows listing using a simplified procedure that does not require extensive prospectuses or disclosures of audited financial results for long periods, resulting in less time and lower financial costs. In 2020, the shares of Bank CenterCredit became the first financial instrument allowed to listing and trading under these rules.

This initiative was driven by the economic downturn in global markets and limited access to capital caused by the COVID-19 pandemic. In this regard, the AIX decided to support companies that need more investment from foreign and regional investors, thus ensuring a more dynamic and liquid market.

RETAIL INVESTORS REGISTERED ON AIX



BELT AND ROAD MARKET SEGMENT

The segment aims to provide capital market solutions for an increasing number of projects under the largest BRI initiative. It also aims to be involved in other projects that have been widely supported by Chinese development banks, commercial and investment banks, private equity investment funds and global investors. The segment corresponds to the AIFC's plans to become the regional RMB settlement and clearing centre for Central Asia.

Partnerships have been established with key market players, including Chinese Overseas Development Association (CODA), China Chengxin International Credit Rating Co., Deheng Law Offices, PwC Kazakhstan, China Construction Bank and CITIC Securities, China's largest broker and investment bank.

In 2020, the AIX welcomed the listing of the first RMB bond of the China Construction Bank Astana Branch on the AIX Belt and Road market. In 2022, the AIX listed new exchange-traded notes denominated in yuan, iX China Equities BR, with iShares MSCI China a ETF (CNYA) as an underlying asset reflecting the performance of China's largest companies. The listing of RMB ETNs is an important step for growing financial integration between Kazakhstan and China within the Belt and Road Initiative.

SUCCESS STORY

Green Investment Group

Green Investment Group AIFC Branch is one of the first private sector companies providing consulting services in a green and sustainable economy and renewable energy sources. It also offers independent external reviews of companies' policies in green, social and sustainable finance. The company has been operating in the AIFC ecosystem as a recognised company since 2019, and today has an extensive partner network.

Since its inception, the company has implemented seven projects in green finance and strategic development, including five external reviews (Second Party Opinion). As a result, the company increased its brand awareness and became the best consulting company in green finance at the Green Finance Awards 2021. This award is organised by the Green Finance Centre to attract attention and popularise the idea of transition to a green economy and respect for natural resources around the world.

AIX INITIATIVES

DIRECT LISTING

Since 2021, the AIX has been operating a direct listing which allows a company to become public without raising capital through the conventional initial public offering. Unlike an IPO in which the shares would typically be sold to prospective investors at discount via the book-building process, in the direct listing the initial sales are conducted by the selling shareholders through the exchange, with the prices determined based on matching buy and sell orders in accordance with the AIX Trading Rules.

COMMERCIAL PAPERS

In 2022, the AIX introduced a new instrument called commercial papers. A commercial paper is a commonly used type of unsecured, short-term debt instrument issued by companies with proven creditworthiness to finance

their short-term working capital needs. Compared to other sources like bank loans and loans from other financial institutions, commercial papers provide additional funding at a lower interest rate.

REPO MARKET

In 2022, the AIX announced the launch of the repurchase agreement (repo) market. Market participants can trade and conduct repo transactions in USD-denominated equities. The repo market is initially available in the equities of Kaspi.kz, Kazatomprom and Halyk Bank for durations ranging from overnight to four weeks. Settlements of repo trades are carried out by the AIX CSD.

The launch of the repo market offers greater opportunities for local retail investors and trading members and opens capital markets to a wider number of market players, thus increasing the overall liquidity and transparency of the AIX.

POST-TRADE INFRASTRUCTURE

Astana International Exchange Central Securities Depository (AIX CSD) is responsible for daily cash and securities settlement and depository activities. In 2022, Thomas Murray, the global post-trade risk and custody rating agency, conducted a second risk assessment of the AIX CSD and gave it an overall risk assessment of 'A+', which denotes a 'low risk'. This rating places the AIX CSD above the average for Eurasian CSDs (BBB) and at the same level of the average for Asia Pacific CSDs (A+) covered by Thomas Murray.

The AIX CSD is an associate member of the European Central Securities Depositories Association (ECSDA), which represents 39 national and international central securities depositories across 35 European countries. The association aims to promote a constructive dialogue between the CSD community, European and global public authorities, and other stakeholders to create an efficient and risk-averse infrastructure for European and global financial markets.

Seven custodian banks are depository members, including Raiffeisenbank, which became the first international participant in the AIX CSD, and Citibank Kazakhstan. Custodian banks allow international institutional investors to hold their assets in the AIX CSD under the management of these banks.

In 2022, the AIX CSD and Euroclear Bank launched a new Enhanced Settlement Service that enables institutional investors to settle trades in Euroclearable securities admitted for trading on AIX either in a Euroclear Bank account or via a custodian account at Euroclear Bank. The new service offers international investors greater cost efficiencies as these trades can now be settled directly in Euroclear's multi-currency environment.

AIX Registrar is responsible for storing and maintaining the central registry of shareholders. Prior to opening an account, the AIX Registrar performs all required anti-money laundering (AML) and know-your-customer (KYC) procedures and checks.

Both AIX CSD and AIX Registrar systems and front-end applications are powered by Avenir Technology, an established provider of post-trade infrastructure and applications.

SUSTAINABLE DEVELOPMENT

Following the global agenda on environment and climate change and the growing demand for sustainable financing, the AIFC continues its effort to establish regional leadership in the field of green and sustainable finance that promotes environmentally friendly, energy-efficient and low-carbon projects.

The AIFC Green Finance Centre (GFC) was created in 2018 to develop green and sustainable finance in Kazakhstan, Central Asia and the EAEU region. Its main goal is to attract investment using green and social bonds, sustainability bonds, sustainability-linked bonds, and green loans and subsidies. Following this goal, the GFC developed a Concept on the Introduction and Development of Green Finance Instruments and Principles.

The GFC is the only organisation in Central Asia accredited by the International Capital Markets Association (ICMA) and the Climate Bonds Initiative (CBI), which defines standards for green finance and is recognised by the London Stock Exchange as a verifier of sustainable finance instruments.

To date, with the support of the GFC, the sustainable finance market in Kazakhstan has reached KZT 178 billion (about USD 405 million).

In recent years, the GFC has contributed to the strategic development of the market, its fundamental legal and regulatory framework based on international standards and its introduction of new financing instruments that meet market requirements.



As part of its legislative initiatives, in 2021, the GFC developed, and the government adopted, the Green Taxonomy of the Republic of Kazakhstan. This taxonomy presents a clear guide to identifying eligible economic activities and projects as environmentally sustainable and green. The draft of this taxonomy was developed with the participation of international experts and discussed with a wide range of stakeholders, including international organisations, banks, external review providers, government agencies and others.

The GFC also proposed amendments to the new Environmental Code of Kazakhstan, along with related amendments to the Entrepreneurial Code of Kazakhstan. The amendments provide an introduction of definitions



'Alongside the government, the Astana International Financial Centre has been instrumental in developing the green framework in the national financial environment under its multifaceted 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'.

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

for green projects, green taxonomy and green financing instruments. Furthermore, they provide for subsidising interest rates for green loans and green bonds to support business.

Following the goal of sustainable economic development, the GFC has drafted a Social Taxonomy of the Republic of Kazakhstan. The project was driven by the need for more detailed specifications of social projects, particularly for the issuance of social bonds. The Social Taxonomy has become the next frontier in the classification of sustainable projects.

Decarbonisation of the economy is one of the most important priorities of Kazakhstan's development until 2025 as part of achieving carbon neutrality by 2060. The AIFC plans to become one of the drivers of the decarbonisation process in the country in terms of new approaches to investing, financing and establishing work relationships with financial institutions.



'The AIFC keeps pace with the times and stands at the forefront of Kazakhstan's transition to green growth and new technological innovations. With the support of the centre, the range of sustainable financing instruments has significantly expanded, and the volume of the green and sustainable finance market of Kazakhstan has grown to record levels. Over the past years, the AIFC has also significantly succeeded in developing the financial technology industry, thanks to a favourable legal and regulatory environment that fosters innovation in the financial sector.'

Yernur Rysmagambetov
Chairman of the Management Board of the AIFC Authority

Starting in 2021, the GFC has become a regional office of Green Investment Principles (GIP) for the Belt and Road Initiative in Central Asia. This will scale up the development of sustainable finance initiatives in the region by providing access to GIP's broad investor base.

In 2022, along with the development of the ESG initiatives, the GFC focused on regional expansion. In partnership with Aiyl Bank, the Kyrgyz Stock Exchange and the Union of Banks of Kyrgyzstan, the GFC established GFC Bishkek to promote sustainable finance in Kyrgyzstan, support the issuance of sustainable instruments, conduct research and participate in other activities.

The GFC prepared a draft of Taxonomy of Sustainability Projects of Kyrgyzstan. For the first time in the history of Kyrgyzstan, the Bank of Asia, with the support of the GFC,

According to CBI and Bloomberg, the global market for green and sustainable finance reached USD 860 billion in 2022.

issued social (gender) bonds to empower women and positively impact the development of a gender economy.

In 2022, Kazakhstan's President Kassym-Jomart Tokayev announced an initiative to establish the Turkic Green Finance Council based on the groundwork of the AIFC GFC and its experience in the financial industry. The aims of the council are to promote sustainable finance and regional cooperation among financial regulators and to develop institutions in the countries within the Organisation of Turkic States.

Also, in 2020, after recognising the need to turn businesses towards a global ESG agenda and enhance the competitiveness of Kazakhstan's economy through low-carbon technologies, the GFC established the national ESG Club to bring together about 60 leading companies that are actively promoting sustainable development and ESG principles.

Today, the GFC has become the leading institution in the development of sustainable finance in the region. It actively promotes the green economy, attracts investment, conducts research and develops strategic documents and policies related to green growth and sustainable development. It also provides project verification. With the active participation of the AIFC's GFC, Astana has for several years maintained its leading position among the countries of Eastern Europe and Central Asia in the Global Green Finance Index (GGFI).

GREEN AND SUSTAINABLE FINANCE INSTRUMENTS

In 2022, the Kazakh market for green and sustainable finance almost doubled, reaching a record KZT 178 billion (about USD 405 million). The volume of green loans and green bonds totalled KZT 134.5 billion, and the volume of sustainable bonds was KZT 43.4 billion. The GFC provided support and verification of 60% of the total green finance market.

In 2020, the AIX welcomed the first issuance of green bonds in Kazakhstan in cooperation with the United Nations Development Programme (UNDP). The 'Damu' Entrepreneurship Development Fund successfully debuted green bonds to finance small projects in renewable energy.

The pilot project was realised with the support of the GFC, which consulted and provided an independent second-party opinion confirming the issuer's compliance with international Green Bond Principles in the use of funds and information disclosure. The AIX also listed Samruk-Energy's green bonds in the amount of KZT 18 billion.

In 2021, the first green loan was approved in Kazakhstan with the full support of GFC. The loan was provided by the Eurasian Development Bank (EDB) to finance a private project in energy efficiency.

MEMBERS OF THE NATIONAL ESG CLUB



Halyk Bank became the first second-tier bank to issue a green loan verified by the GFC under the loan agreement on green lending with Kaz Green Energy for a total amount of KZT 7.9 billion.

Also in 2021, EDB listed social bonds worth KZT 20 billion on the AIX and KASE exchanges, resulting in great interest from investors. The funds raised were used for the development of the bank's social projects in Kazakhstan.

The range of responsible financing products on the AIX has been expanded by introducing a new chapter to the AIX Business Rules on the issuance and listing of ESG instruments. The ESG category assigned to bonds will reflect the corresponding ESG standard and may include social, sustainability, blue bonds, transitional bonds and bonds of other sustainability-linked categories.

With the support of the United Nations Environment Programme Finance Initiative (UNEP FI), the GFC has also developed Voluntary Disclosure Guidance for Environmental, Social and Governance for companies listed on AIX (adopted by Market Notice in 2022), as part of the AIFC's commitment to sustainable finance principles.

#1 Astana /AIFC occupies a leading position in the region of Eastern Europe and Central Asia according to the Global Green Finance Index

60% of green bonds and loans in Kazakhstan are verified by the GFC

₸178 BILLION volume of the green and sustainable finance market in Kazakhstan

ATTAINING UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

In 2015, United Nations member states adopted the 2030 Agenda for Sustainable Development Goals (SDGs), which comprises 17 sustainable development goals. The SDGs include urgent calls for all countries to end poverty, combat inequality and injustice, and address climate change and its impacts.

As Kazakhstan is committed to achieving the UN's sustainable development goals, the AIFC has prioritised this successful achievement based on its core competencies by implementing the following key initiatives and projects (SDGs 4, 5, 7, 8, 9, 11, 13, 16 and 17). Integrating SDGs into reporting helps the AIFC better respond to stakeholders' needs for sustainable financing.



RELEVANT TARGET 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

Key Initiatives and Projects

- In 2019, the AIFC established the Bureau for Continuing Professional Development (BCPD) as a subsidiary organisation to promote and develop human capital within the AIFC ecosystem and beyond by creating digital educational platforms for professional development, formation and support of professional communities, accessible expertise and open dialogues with market professionals.
- Since its creation, the BCPD has launched and successfully implemented five breakthrough projects:
 - Innovative QWANT programming school developed on the principles of games and collective and project learning;
 - Alpharabius full-cycle digital educational platform aimed at early career guidance;
 - Digital platform of the University of the Future for the preparation of international professional certifications using the best world practices;

- AIFC Academy of Law providing legal education and legal practice in the AIFC for specialists in the field of law and business; and
- A-Pro platform for the provision of professional services: recruitment, outstaffing, outsourcing, career consulting for the AIFC ecosystem and open market.
- Since its establishment, the BCPD has retrained 16,500 specialists in various professional certifications. The AIFC personnel reserve has reached more than 15,000 candidates who meet modern and market requirements.
- In 2022, the AIFC launched a pilot project, National Digital Career Centre, to prepare students and graduates for employment. The project is focused on the creation of a unified database of university students, centralised access for employers and government agencies, educational content, data collection and processing and the production of analytical reports.
- The AIFC regularly conducts various training lectures in Islamic finance, innovations and technologies for representatives of SMEs, financial markets, government agencies and Kazakh universities.



RELEVANT TARGET 5C.

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.

Key Initiatives and Projects

- The AIFC launched its own initiative Women's Economic Empowerment, Education and Entrepreneurship (W4E) focused on expanding the educational and investment opportunities for women in business.
- At the initiative of the AIFC, Kazakhstan became the first country in Eurasia to join the global network of the World Economic Forum's Closing the Gender Gap Accelerator, which brings together public and private sector leaders. AIFC, as a local coordinator, is focused on accelerating gender parity, advancing women into leadership and increasing their participation in the labour force.
- The AIFC implemented the initiative of the US State Department related to women's economic empowerment, Academy for Women Entrepreneurs (AWE), which trained 100 Kazakh women.
- In partnership with Visa, AIFC Tech Hub supported two series of business leadership educational marathons for women entrepreneurs of Central Asia as part of the She's Next initiative.
- Starting in 2020, the AIX has taken part in the annual global initiative, 'Ring the Bell for Gender Equality', a partnership that aims to stimulate women's participation in the global economy and promote sustainable development.
- The GFC supported the issuance of the first social (gender) bonds in Kyrgyzstan.



RELEVANT TARGET 7A.

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.

Key Initiatives and Projects

- Following the goal to develop and promote green projects in Kazakhstan and Central Asian region, the AIFC established the Green Finance Centre (GFC) in 2018. The GFC actively partners with the Eurasian Development Bank to provide financing for the implementation of sustainable development projects.
- The GFC has become a regional office of the Green Investment Principles (GIP) for the Belt and Road Initiative for Central Asia.
- In cooperation with Kyrgyz partners, the GFC has established GFC Bishkek to develop a sustainable finance market in Kyrgyzstan.
- The GFC assisted in the development of a Taxonomy of Sustainable projects (classifiers of green, social projects) for Kyrgyzstan.
- The GFC participated in the development of the EAEU roadmap within the framework of the high-level working group on climate. In 2022, this working group approved the EAEU Model of Green Taxonomy.
- Following the Strategy for Achieving Carbon Neutrality of Kazakhstan until 2060 and best global practices, the GFC has contributed to the development of the Green Taxonomy of Kazakhstan.
- President of the Republic of Kazakhstan Kassym-Jomart Tokayev proposed to establish the Turkic Green Finance Council on the grounds of the AIFC.
- The World Economic Forum's Affiliate Centre for the Fourth Industrial Revolution in Kazakhstan operates at the AIFC site.



RELEVANT TARGET 7B.

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 landlocked developing countries, in accordance with their respective programmes of support.

Key Initiatives and Projects

- The GFC is developing the green infrastructure of the AIFC by introducing economic incentives for green projects and attracting green investments through local and international capital markets.
- The GFC has expanded a range of sustainable financial instruments, including sustainable development bonds and ESG bonds.
- The GFC established the Green Technology Hub (GTH) to accelerate green and high-tech projects.
- The GFC established a national ESG Club to accelerate energy transition through the introduction of ESG principles. The ESG Club unites around 60 companies that are leaders of the economy who actively promote the principles of sustainable development and ESG in Kazakhstan.



RELEVANT TARGET 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.

Key Initiatives and Projects

- The AIFC participants have created more than 6,500 new jobs by creating new enterprises and industries.
- The Astana International Exchange (AIX) created the Regional Equity Market Segment (REMS), which provides medium-sized companies of Kazakhstan and Central Asia with better access to equity finance.
- The AIFC provides an opportunity to carry out activities in the regulatory sandbox FinTech Lab, where companies can test innovative financial products and services in a facilitated regulatory regime.
- The AIX created favourable conditions for junior companies to attract capital to the mining sector of Kazakhstan.
- Following the goal to promote the social finance market, the GFC has drafted the Social Taxonomy of the Republic of Kazakhstan that was supported by the Ministry of the National Economy.

RELEVANT TARGET 8.10.

Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.

Key Initiatives and Projects

- With the support of the National Bank of Kazakhstan and the ARDFM, the AIFC approved the Rules on Currency Regulation and Provision of Information on Currency Transactions in the AIFC, which came into force in December 2021. These rules define conditions and procedures for currency transactions related to the provision of financial and professional services by AIFC participants, as well as a list of financial and professional services provided by AIFC participants to residents of the Republic of Kazakhstan, including banking, insurance and securities.



RELEVANT TARGET 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.

Key Initiatives and Projects

- The World Economic Forum's Affiliate Centre for the Fourth Industrial Revolution in Kazakhstan operates at the AIFC site.
- The GFC is developing the green infrastructure of the AIFC by introducing economic incentives for green projects and attracting green investments through local and international capital markets.
- With the support the GFC, Astana has entered the top 50 Global Green Finance Index and maintained its leadership in Eastern Europe and Central Asia.

RELEVANT TARGET 9b.

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.

Key Initiatives and Projects

- The new Ecological Code and Green Taxonomy of the Republic of Kazakhstan was developed and adopted with the assistance of the GFC.
- The GFC moved forward by introducing relevant sustainable finance initiatives, including the AIFC Statement of Commitment to Sustainable Finance Principles and ESG reporting framework for AIX-listed companies.
- The World Economic Forum's Affiliate Centre for the Fourth Industrial Revolution in Kazakhstan operates on the basis of the AIFC.
- The Tech Hub promotes corporate innovation markets by creating a platform to support accelerators, incubators, innovation hubs, laboratories, product technology teams, corporate venture funds and other companies open to innovation.
- The Tech Hub launched the VentureRocket Eurasia platform that supports investments in technological start-ups in Central Asia.

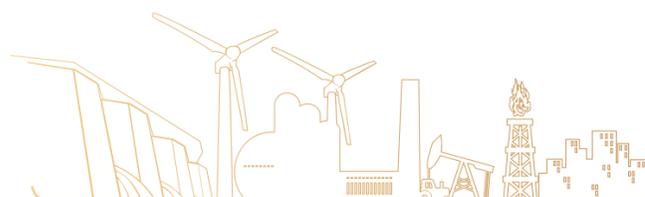


RELEVANT TARGET 11.6.

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.

Key Initiatives and Projects

- The AIFC constantly supports green and sustainable projects following its strategy of ensuring regional leadership of the AIFC in the sphere of green finance until 2025.
- In partnership with the Kazakhstan Biodiversity Conservation Fund and Green Investment Group, the GFC established a non-profit organisation, the Eurasian Environmental Fund, with the goal to finance projects for greening cities and their surrounding areas, creating urban flora and fauna, as well as developing public spaces in Kazakhstan.
- The Eurasian Environmental Fund has implemented reforestation projects in Kazakhstan through funds raised with the help of eco-cards and NFC posters.





SDG 13

RELEVANT TARGET 13.2.

Integrate climate change measures into national policies, strategies and planning.

Key Initiatives and Projects

- The AIFC contributes to the financial industry with the goal to transform the economy and achieve the goals of the Paris Agreement and Kazakhstan's carbon neutrality by 2060. Sustainability has become a core of the AIFC Development Strategy until 2025. As a result, the AIFC became a part of International Network of Financial Centres for Sustainability, the Green Investment Principles (GIP) for the BRI and the regional office of GIP in Central Asia

RELEVANT TARGET 13.3.

Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

Key Initiatives and Projects

- The AIFC holds annual Green Growth Forum within the framework of Astana Finance Days, along with seminars and conferences on sustainable development, green finance and the climate agenda.
- In line with the goal to popularise the idea of a green economy and respect for natural resources among the general public, the GFC holds the annual Green Finance Award.

RELEVANT TARGET 13A.

Implement the commitment undertaken by developed-country parties to the UNFCCC to a goal of mobilising jointly USD 100 billion 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.

Key Initiatives and Projects

- The AIFC holds annual Green Growth Forum within the framework of Astana Finance Days, along with seminars and conferences on sustainable development, green finance and the climate agenda.
- The GFC has become a catalyst for the sustainable finance market in Kazakhstan, which reached more than USD 400 million in 2022.



SDG 16

RELEVANT TARGET 16.3.

Promote the rule of law at national and international levels and ensure equal access to justice for all.

Key Initiatives and Projects

- The AIFC Court and IAC provide dispute resolution services in accordance with the best international standards for resolving civil and commercial disputes.
- The AIFC Court and IAC have established close cooperation with the Supreme Court of the Republic of Kazakhstan in terms of the transfer of cases procedure that ensures the transfer of disputes from the national courts to the AIFC Court and IAC upon the written consent of the parties.
- The AIFC Court uses an online dispute resolution system, eJustice, which allows parties to file cases online at the AIFC Court and IAC from anywhere around the world without the need to actually be in Astana.

RELEVANT TARGET 16.5.

Substantially reduce corruption and bribery in all their forms.

Key Initiatives and Projects

- AIFC bodies and their organisations are in strict compliance with the AIFC Ethics Code and internal policies related to anticorruption.
- The AIFC signed a partnership agreement with the Anti-Corruption Agency of Kazakhstan.

RELEVANT TARGET 16.6.

Develop effective, accountable and transparent institutions at all levels.

Key Initiatives and Projects

- 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.
- AFSA and Financial Monitoring Agency of Kazakhstan (AFM) have agreed to work together in anti-money laundering, combatting the financing of terrorism and proliferation of weapons of mass destruction (AML/CFT)



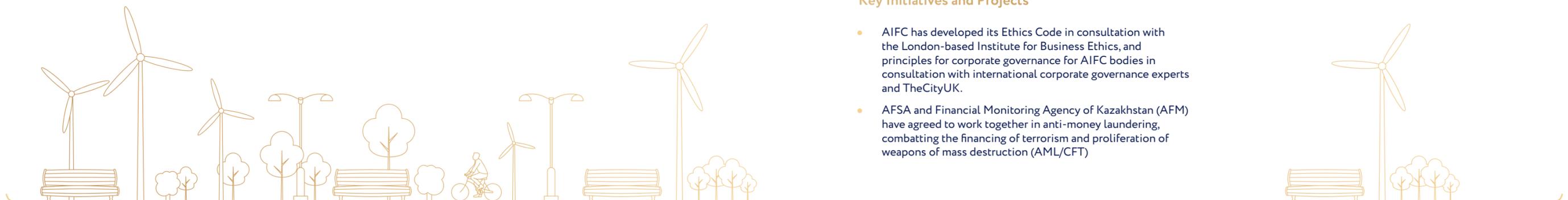
SDG 17

RELEVANT TARGET 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.

Key Initiatives and Projects

- The AIFC interacts with the professional community of legislative and executive authorities, civil society institutions, local communities and business communities to build capacity and promote green growth and sustainable development.
- The AIFC cooperates with international partners (KPMG, VISA, the Climate Bonds Initiative, the Beijing Institute of Finance and Sustainability, the International Network of Financial Centres for Sustainability, and the United Nations Environment Programme) to share experiences and comply with best sustainable development practices and principles.



INNOVATION AND TECHNOLOGY

In accordance with the Constitutional Statute 'On the AIFC', the development of financial technologies, digital assets, e-commerce and innovations is one of the key objectives of the financial centre. Following this objective, the AIFC established the FinTech Hub on the grounds of the centre in 2019. The main activity of the hub became the creation of a full-fledged ecosystem and infrastructure to support technologies in the financial industry of Kazakhstan based on the experiences of global market players. The AIFC uses a holistic approach to develop the fintech ecosystem, including supporting start-ups, creating attractive conditions for fintech companies to enter the regional market, attracting investments and providing a unique regulatory framework.

As the financial technology ecosystem grew, the AIFC expanded its competencies in the innovation and technology industry. As a result, the Fintech Hub was later transformed into the AIFC Tech Hub offering a wider range

of services in financial innovations, start-up ecosystems, venture capital, e-commerce, corporate innovations, research and new technologies such as GovTech, SatelliteTech, Industry 4.0. and others.

FINTECH INNOVATIONS

Today, we can see the rapid worldwide development of the financial technology industry. Fintech is becoming integral to all types of financial services: lending, payments and transfers, savings, investing, insurance, etc. The development of the fintech market is aimed at increasing the availability, speed, quality and variety of financial services offered, while reducing risks, ensuring security and contributing to healthy financial market competition.

and services under a simplified regulatory regime, AFSA has established the regulatory sandbox FinTech Lab.

The AIFC Tech Hub aims to bring together regional fintech players to introduce new products, create a single market for fintech providers, develop human capital and know-how and learn an entrepreneurial mindset.

The Tech Hubs builds fintech bridges with Asia, Europe, the Middle East and the CIS by partnering with international fintech communities and industry leaders and participating in key fintech events around the world, such as Singapore Fintech Week and Istanbul Fintech Week, where Kazakh start-ups were presented.

The AIFC has created a sufficient pool of start-ups in Kazakhstan over the years by supporting financial and technology start-up programmes. The Tech Hub held various incubation and acceleration programmes on the AIFC's site, such as FintechStars, Investment Readiness Programme and Visa Everywhere Initiative. It also supported the export of start-ups from Kazakhstan and the Central Asian region globally via Startupbootcamp, StartupWiseGuys and other acceleration programmes that provide access to new

+50
START-UPS entered into deals at the AIFC platform by signing convertible loan agreements, as well as through private placement and acquisition of shares of start-ups

The AIFC ecosystem is the most favourable environment in the region to accelerate fintech innovations and support entrepreneurs, SMEs and start-ups. A flexible legal and regulatory regime and an advanced infrastructure modelled on the best international standards enable large technology companies to set up in the financial centre and promote the AIFC as a regional centre for financial technologies.

As part of its favourable regulatory regime, the AIFC has developed a legal framework called Financial Technology Rules. The AIFC authorises fintech activities that are currently not available under the acting law of the Republic of Kazakhstan, for example, crowdfunding, operations with digital assets and private placement. To test new products

\$6.7
MILLION the volume of venture capital transactions in the AIFC

+300
START-UPS in the AIFC Tech Hub portfolio

technologies, joint initiatives and qualified assistance from the best experts.

The Tech Hub actively supports the global initiative to promote gender equality and has for many years promoted projects that assist women in business and strengthen women's role in the workplace and society. In 2022, the Tech Hub held the official ceremony of joining the Women's

+135
START-UPS from all over Central Asia received support from the AIFC Tech Hub

Empowerment Principles (WEP) support programme, which was launched as part of a partnership between UN Women and the UN Global Compact.

Two waves of the educational marathon She's Next Empowered by Visa's global campaign were successfully implemented in a partnership with Visa and Halyk Bank, which involved more than 9,500 participants from the Central Asian region.

Fintechstars is a key start-up support programme of the AIFC Tech Hub aimed at increasing the number of new fintech solutions available on the market that contribute to the development of the fintech ecosystem and a cashless economy in Kazakhstan and Central Asia.

SUCCESS STORY



In 2019, iKapitalist became the first AIFC-licensed company to operate an investment crowdfunding platform and a loan crowdfunding platform. A key factor that enabled the launch of iKapitalist in the AIFC was an ability to test it in the regulatory sandbox, the FinTech Lab, without the full burden of regulatory requirements. Independent dispute resolution institutions of the AIFC guaranteeing investors' rights and interests provided an additional incentive.

The growing popularity of crowdfunding platforms ensured the expansion of access to finance for SMEs, indicating significant potential for the development of alternative sources of finance in the country.

Since its launch, around KZT 8 billion have been invested in SMEs via the platform, with the annual turnover of portfolio companies around KZT 20 billion in 2021. These results demonstrate the platform's important role in developing Kazakhstan's economy.



CORPORATE INNOVATION

The AIFC Tech Hub puts effort into the development of corporate innovation to help corporations in Central Asia and the CIS innovate with the support of an extensive network of partners in the region (IIDF, GenerationS, Bridge Group, Bitfury KZ, etc.). The Tech Hub implemented several educational programmes for corporations and start-ups and assisted with the launch of corporate accelerators, incubators, scouting of technological solutions and teams in the local and foreign markets. More than 30 corporate programmes were implemented for large businesses, and one of the largest bases of technology start-ups in the CIS assembled. Public reports are published on an ongoing basis for the needs of large Kazakhstani companies.

One of the most significant events that the Tech Hub launched in 2021 was the first fintech accelerator for banks in Kazakhstan held jointly with the Internet Initiatives Development Fund and with the support of the main partner – the Mastercard international payment system. Alтын Bank, Eurasian Bank and Freedom Finance Bank became the participants of the accelerator. More than 300 start-ups from 11 countries submitted their applications, and 30 made it to the finals. The programme was aimed at finding and attracting the best fintech solutions from start-ups in Kazakhstan and the CIS countries to support technology leadership and the introduction of open innovation practices in the financial sector of Kazakhstan.

In 2020, the first Corporate Innovation Bootcamp in Central Asia was held for corporations, and representatives of the public and private sectors to learn how to transform their businesses and succeed with the help of innovation, as well as get acquainted with real cases on implementing innovations in the field of finance, telecom, retail and others.

CorpUp Central Asia is a platform where experts from the accelerator of the Internet Initiatives Development Fund (IIDF) and the AIFC Tech Hub help corporations and large businesses in Central Asia to find mature technological solutions for business challenges, implement a product approach, and develop a culture of innovation and internal entrepreneurship among employees. All this will allow companies to reduce the cost of innovation and accelerate the introduction of new products to the market.



'The AIFC has been a trusted and respected partner of Mastercard for many years. Together we have implemented high-quality projects, including the first fintech accelerator in Kazakhstan, the Mastercard Sustainable Banking Challenge and ESG initiatives. Our constant constructive interaction and mutual support undoubtedly benefit the development of the financial sector of Kazakhstan.'

Rafal Trepka
General Manager of Mastercard in Kazakhstan and Central Asia

Among other significant events supported by the Tech Hub were the Open Innovation Marathon, RetailTech Innovation Day, InsurTech Innovation Day, Fintech & Telecom Innovation Day, Startup Borjomi Central Asia, CorpUp Kazakhstan 2021 and CorpUp Telecom. In 2022, the Tech Hub, in partnership with the international payment system Mastercard, held a competition called Mastercard Sustainable Banking Challenge with the aim to develop open innovations in the banking sector of Kazakhstan. In total, over 90 applications from 12 countries were received, and three selected start-ups launched pilots with partner banks: ForteBank, Jusan Bank and Eurasian Bank.

VENTURE CAPITAL

The AIFC Tech Hub actively develops the venture capital industry based on the best global practices to enhance the fundraising and deal-making capabilities of the Central Asian and CIS start-ups and the deal-structuring capacity within AIFC. The investors' network includes international VC funds, angel investors, corporate investors, accelerators and family offices. The Tech Hub also builds strong relationships with local and regional start-up hubs, IT parks, universities and accelerators. For the first time in the history of post-Soviet countries, such forms of agreements as convertible loans, KISS and SAFE, and the purchase of shares through venture structuring mechanisms were used.

FINTECH STARTUP MAP

TAX & ACCOUNTING



CROWDFUNDING



MOBILE WALLETS



FINANCIAL LITERACY



INVESTMENTS



PAYMENTS



FINANCIAL SUPERMARKET



DIGITAL ID POS BLOCKCHAIN



POS



BLOCKCHAIN AND DIGITAL ASSETS



FINTECH ECOSYSTEM MAP

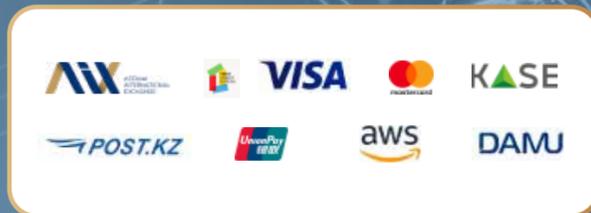
BANKS



BANKS FINTECH-RELATED COMPANIES



FACILITATORS



SUPPORTERS



INTERNATIONAL ORGANISATIONS



REGULATORS



PE & VC



HUBS, INCUBATORS & ACCELERATORS



EDUCATION



Since 2020, there has been a significant increase in the volume of venture capital deals in the AIFC, which is primarily due to a number of large investments in technology start-ups. One of the requirements of individual investors and institutions is the incorporation of start-ups in the AIFC and the use of its jurisdiction to structure investment transactions. To date, the volume of venture capital transactions supported by the AIFC Tech Hub has exceeded USD 15 million, of which USD 6.7 million in 2022. Such investments are made through syndicates, where the AIFC is a favourable platform for structuring venture deals. The transactions were completed through the signing of convertible loan agreements and the private placement of various classes of shares for the purpose of acquiring shares in start-up companies.

In 2021, the AIFC registered the first crowdfunding platform for co-investing in start-ups in Central Asia called Venture Rocket Eurasia. Created jointly with an international partner, the global research and innovation company Titanium IT Technologies, the platform promotes the development of innovation and the start-up ecosystem, while stimulating the growth of angel investment at the AIFC site.

As part of educational projects, the Tech Hub, jointly with the Angelsdeck venture investors club and the Starta Ventures accelerator, launched a venture investment school and conducted courses for angel investors.

The Tech Hub actively contributes to the development of the venture market and start-up ecosystem in the region, providing a favourable regime for free entrepreneurship and effective investment in Central Asia.

SUCCESS STORY



Binance is the world's leading blockchain ecosystem, with the largest digital asset exchange. Founded in 2017, Binance has gained strong position among cryptocurrency exchanges in the world by trade volume. The Binance ecosystem features an unmatched portfolio of financial product offerings, including investment and fundraising and digital asset research.

Over the last years, the company has scaled up its presence at the regional level. In 2022, the company was granted a permanent licence by Kazakhstan's AIFC Financial Services Authority (AFSA) to operate a digital asset platform and provide custody services at the AIFC. The government of Kazakhstan has made significant changes to relevant legislation and the regulatory environment, thereby setting the highest compliance standards for cryptocurrency platforms.

The permanent licence gives Binance the status of a regulated platform, with robust compliance and security controls. The platform is authorised to offer digital asset exchange and conversion services, deposit and withdrawal of fiat currencies, cryptocurrency custody, and exchange trading. According to legislation, circulation and issuance, except for mining, of unsecured digital assets is prohibited in Kazakhstan, except in AIFC.

Binance has also become a part of the pilot project on collaboration of AIFC crypto exchanges with Kazakhstani commercial banks. AIFC crypto exchanges started the active phase of fiat transactions with banks.

Binance, with its experience, technology and capabilities, will facilitate the development of the digital asset industry in Kazakhstan and position the country as a regional crypto hub.

COMPETENCE CENTRE

Since its establishment, the AIFC Tech Hub has published over 15 technical reports on the market of Kazakhstan and the region in terms of financial technologies, venture capital, corporate innovations and others. The reports have been prepared in partnership with key industry players, such as Mastercard, KPMG, Plug and Play, GenerationS, International Finance Corporation of the World Bank Group, Kinstellar Law Firm, and others.



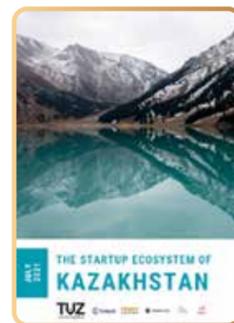
FINTECH MARKET ENTRY TO CIS, CENTRAL ASIA AND MONGOLIA, 2020

The AIFC Tech Hub has released a report on the state of the regional fintech market, recent trends, regional features, access to capital, government support and others. The report was prepared in collaboration with regional institutions such as the Russian Fintech Association, the Ukrainian Association of Fintech and Innovative Companies, IT-Park Uzbekistan, High-Tech Park of Kyrgyzstan, BEROE Economic Research Centre (Belarus), Access Solutions consulting company (Mongolia) and QazTechVentures.



CORPUP KAZAKHSTAN, 2021

The first analytical report on Kazakhstan's corporate innovation market 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 and others). This report also compiles a list of the top 10 innovative corporations of Kazakhstan.



THE START-UP ECOSYSTEM OF KAZAKHSTAN, 2021

The AIFC Tech Hub, in partnership with Tuz Ventures, conducted the first study of the Kazakhstan's start-up ecosystem by surveying more than 100 start-ups and interviewing local experts. Zerde Holding, Astana Hub, Tech Garden and MOST participated in the research. This report is useful for technology entrepreneurs to gain insights into the market and competitors, for government officials to better understand the country's innovation ecosystem, and for investors to learn about the market and make investment decisions. According to this report, the majority of start-ups that have entered the market belong to such growing sectors as e-commerce, educational (EduTech) and financial technologies (fintech).



THE FINTECH START-UPS LANDSCAPE IN KAZAKHSTAN, 2021

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

The results of the report's survey showed 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 three or fewer years. The most popular fintech destinations are payments, transfers, mobile wallets (20%) and financial software, and back-office and middle-office solutions (18%). From a geographical perspective, most start-ups target either Kazakhstan or the CIS regional market.



OPEN BANKING, 2021

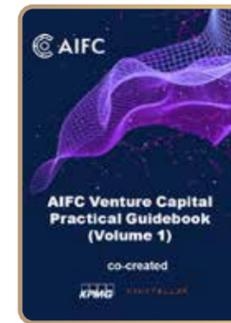
This report was prepared in cooperation with the international payment system Mastercard. It delves into the research on global and Kazakhstani markets' open banking. It also notes the advantages and key drivers of open banking development, global regulatory approaches and practical experience of interaction between banks and partner services. According to this research, the main goals of the development of open banking are the possibility of generating additional income, increasing customer satisfaction and improving financial services' availability.



FINTECH 2021: THE EMERGING VENTURE CAPITAL IN CENTRAL ASIA

This report features practical cross-border insights into fintech law. A chapter on AIFC's Initiatives for emerging venture capital in Central Asia is presented in International Comparative Legal Guides (ICLG.com). ICLG is a leading global platform for legal reference, analysis and news presented in comprehensive comparative legal guides and research tools that cover laws in more than 192 jurisdictions across 58 practice areas.

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



AIFC VENTURE CAPITAL PRACTICAL GUIDEBOOK (VOLUME 1), 2021

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



CORPUP TELECOM 2022

This is the first review of the telecom ecosystems in Kazakhstan and the world, based on interviews with market experts, surveys of telecom companies and analyses of the development of dozens of Kazakhstani and foreign telecom operators. The research was prepared in a partnership with Beeline Kazakhstan, Huawei Technologies Kazakhstan, IDC and KPMG Caucasus and Central Asia.

The report contains information about the main trends that are fundamentally changing the telecom industry today, the ecosystems of three Kazakh mobile operators, 5G technologies and applications, successful cases and scenarios of cooperation between operators and start-ups.



VC GUIDE FOR FOUNDERS, 2022

The AIFC Tech Hub, in partnership with KPMG and the investment company SkyBridge Invest, prepared the first guide on venture capital, fundraising and investment deal structuring for start-up founders in the AIFC.

This guide describes in detail the AIFC opportunities and benefits for structuring venture deals, identifying types of venture contracts, analysing real cases of creating venture syndicates and attracting debt and equity investments from investors. The guide is useful for experienced entrepreneurs and aspiring founders interested in launching and promoting projects in the AIFC infrastructure.

SUCCESS STORY

ALIF ISLAMIC BANK

Alif Islamic Bank is the second Islamic bank in the AIFC to obtain an Islamic banking licence in 2022. The key criteria for choosing AIFC were its ability to provide a wide range of Islamic finance services and a robust regulatory regime for Islamic finance and banking based on international standards and best practices. As an additional incentive, the bank enjoys tax preferences for Islamic financial institutions and opportunity to hire highly qualified specialists in the local labour market.

Alif Islamic Bank seeks to become a leading Islamic bank, providing innovative, high-level Shari'ah-compliant financial services for both the corporate and retail segments in the Kazakh market and the wider region.

AFFILIATED CENTRE FOR THE FOURTH INDUSTRIAL REVOLUTION (C4IR)

With the intensification of the digital revolution, the AIFC fully recognises that the current shift happening across all industries offers unprecedented opportunities and challenges to gain a competitive advantage and harness the full potential of the Fourth Industrial Revolution (4IR). The World Economic Forum (WEF) is one of the world's leading organisations in promoting and supporting the development of the 4IR. The WEF founded a global network of centres that brings together global companies, governments, start-ups, SMEs, academia and international organisations from around the world to drive social and economic progress, make experiential solutions and promote inclusion and sustainability through technology. Launched in 2017, the global network of centres has affiliated centres in the US, China, Israel, India, Japan and the UAE.

In 2021, the C4IR in Kazakhstan was launched based on the AIFC with the support of the government of Kazakhstan. The C4IR brings together government agencies and business and industrial partners of Central Asia to develop a favourable environment that harnesses the emerging technologies that will significantly impact the innovative development of Kazakhstan and the region. With this cooperation, Kazakhstan's business community, along with AIFC participants, can establish business partnerships with the WEF's members and go beyond borders, thanks to the global network of the World Economic Forum. The C4IR has identified three main areas for cooperation: the Internet of things (IoT), data governance and digital trading.

To introduce global-oriented tools and stimulate digital transformation in production, the C4IR signed an agreement with INCIT as part of the Smart Industry Readiness Index-SIRI project. The programme will train more than 100 potential assessors, who, in turn, will evaluate the current state of operations of manufacturing companies and make recommendations to accelerate the transformation process. In this regard, work is underway to conduct a pilot project with leading national companies in Kazakhstan to train the first SIRI Certified Assessors (CSA), after which an assessment will be made for three Kazakhstani enterprises.



'I am proud to note that our joint projects with AIFC are well-known not only in Kazakhstan but also beyond its borders. For example, we recently implemented the second wave of the She's Next initiative in Central Asia, aimed at supporting women entrepreneurs. Nearly more than 9,500 women from Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan, and Turkmenistan participated in the program. We are also delighted to foster the Kazakhstani fintech community through the Visa Everywhere Initiative and for the second consecutive year, to be the main partner of the country's largest event, Astana Finance Days. I am confident that our collaboration with the international centre will only strengthen and expand in the future.'

Cristina Doros
Vice President and Regional Manager of Visa in Central Asia and Azerbaijan

SIRI is the world's first independent digital maturity assessment for manufacturers and includes a set of frameworks and tools to help manufacturers start, scale and sustain their manufacturing transformation.

At the same time, as part of the implementation and development of the IoT, an Agreement on the Industry 4.0 Consortium was signed with the Kazakhstan Digital Energy Association to provide for the development of clean electricity, smart grids and the urban environment of energy resources.

To develop the direction of data management, C4IR, jointly with the UN DESA and the Ministry of Digital Development, Innovation and Aerospace Industry of Kazakhstan, has implemented the initiative on 'Using experiments in new technology policy and regulatory sandboxes for digital transformation in the Republic of Kazakhstan'. There is a plan to develop a data policy concept that includes recommendations for creating a suitable environment for managing big data, improving legislation and creating conditions for fintech companies, telecom operators and IT companies that support their experiments on digital solutions in various scenarios using the API.

80+
MASTER CLASSES

and seminars in the field of fintech development and innovation



HUMAN CAPITAL DEVELOPMENT

Since its establishment, the AIFC has paid special attention to the development of human capital and local professionals who meet the highest standards. In 2016, the AIFC established the Bureau for Continuing Professional Development (BCPD) to increase human capacity and create a regional talent ecosystem in partnership with academia and businesses.

The BCPD develops human capital by creating digital platforms for continuous professional development, forming and supporting professional communities, accessing expertise and engaging an open dialogue among market professionals.

Over the years, the BCPD has significantly contributed to the development and formation of a new educational industry: EdTech. More than 16,500 specialists have been retrained in various fields, including international certification programmes. In particular, 15,000 professionals in financial and investment management, audit, AML, project management and human resources joined the personnel reserve pool.

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



University of the Future is a digital platform for professional development aimed at delivering career-relevant, competency-based training and 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 2022, 10,000 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 and CGI/Corporate Governance.



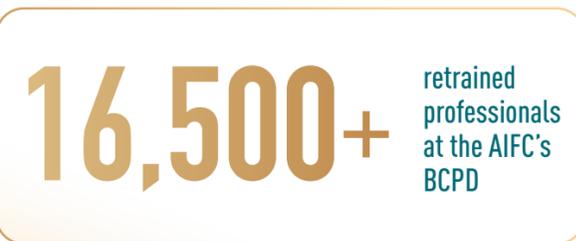
ALPHARABIUS

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 students in a personal, academic and socioeconomic way. Its main products are unique courses and contests developed by the BCPD team for students and the projects of the partners of the EdTech community. One of its educational projects is the AIFC Finance and Economics Olympiad, which is designed to stimulate the interest of schoolchildren in studying economic and financial development.



QWANT is an innovative programming school that trains developers on digital products and services. The school is designed on game-based, peer-to-peer and project-based active learning, considering the experiences of the innovative school 42 and EPITECH University.

Since its 2020 launch, the school has trained more than 800 developers, 90% of whom are employed in large local and foreign companies such as Kaspi, Halyk, AIX, Plug and Play Tech Center and Philip Morris. In 2021, HolonIQ selected the QWANT school for inclusion in its prestigious list of the 100 Most Promising EdTech Start-ups in Russia and CIS.



QWANT actively cooperates with the Ministry of Digital Development, Innovation and Aerospace Industry of Kazakhstan to promote the development of IT talent and technical education. The school also supports women's technology initiatives to support more women entering the IT industry. In cooperation with the Educational IT Alliance and Microsoft Kazakhstan, the first QWANT Programming Olympiad was held among high school students.



The AIFC Academy of Law is an educational platform established to provide legal education programmes on AIFC law and international commercial law practices. The platform provides educational and training courses, certifications and seminars for judges, lawyers, mediators and arbitrators. It also carries out pro bono consultations for AIFC participants and internships for young professionals. The Academy of Law cooperates with leading international training and development institutions to prepare students for the qualification of a lawyer in the US and a solicitor in England and Wales, and is well-versed in the laws to combat money laundering and counteract the financing of terrorism.

Since its inception, the AIFC Academy of Law has organised over 45 legal education programmes for 2,000 students. To familiarise students with the AIFC jurisdiction and legal initiatives, the academy holds annual online internships, the AIFC Legal Conference and the AIFC Legal Talks.



The **A-PRO** project provides professional corporate services such as recruitment, outsourcing, outstaffing and career consulting for the AIFC ecosystem and the external market. The platform allows you to manage the databases of candidates, conduct digital recruiting and create a career path for employees. The A-PRO project is aimed at developing human capital in companies in Kazakhstan, as well as providing services for the selection of a holistic project team. The personnel reserve is actively replenished with a base of professionals who meet international standards and are potentially ready for employment.





05. Corporate governance

CORPORATE GOVERNANCE

Sound corporate governance practices are essential for the proper functioning of an international financial centre and for building trust among the investor community. The AIFC is committed to continuously improving its corporate governance framework by aligning it with evolving international best practices.

In 2020, the AIFC developed the AIFC Corporate Governance Principles (Principles), in a partnership with TheCityUK and funded by the UK government. 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, the AIFC strives to encourage the broader adoption of the Principles with AIFC ecosystem companies and beyond. For example, the AIFC, jointly with Baiterek Holding, organises an annual

Corporate Secretaries Forum, where best practices and current challenges in corporate governance are discussed. In 2022, the event was dedicated to the theme of 'Disruptive Risks and Resilience'.

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 country's sustainable economic development.
2. Companies should have an effective board that is collectively accountable for ensuring 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 eight to twelve 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 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.
9. The board should ensure that the company's financial and other reports present an accurate, balanced and understandable assessment of the company's financial position and prospects by ensuring that there are effective internal risk control and reporting requirements.

CORPORATE GOVERNANCE STRUCTURE

AIFC MANAGEMENT COUNCIL

AIFC GOVERNOR

 **Authority**
AIFC AUTHORITY

 **AFSA**
ASTANA FINANCIAL SERVICES AUTHORITY

 **Court**
AIFC COURT

 **IAC**
INTERNATIONAL ARBITRATION CENTRE

10. The board should ensure that the company has a risk management, internal control and compliance framework that 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 evaluations 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 MANAGEMENT COUNCIL LEADERSHIP

KASSYM-JOMART TOKAYEV
CHAIRMAN
 President of the Republic of Kazakhstan

ALIKHAN SMAILOV
DEPUTY CHAIRMAN
 Prime Minister of the Republic of Kazakhstan

SIR SUMA CHAKRABARTI
DEPUTY CHAIRMAN
 Deputy Chairman of Supreme Presidential Council for Reforms, Adviser to the President on Economic Development and Governance

AIFC GOVERNOR

RENAT BEKTUROV
AIFC GOVERNOR

LEADERSHIP OF AIFC BODIES



YERNUR RYSMAGAMBETOV
CHAIRMAN OF THE MANAGEMENT BOARD

NURKHAT KUSHIMOV
CHIEF EXECUTIVE OFFICER



THE RT. HON. THE LORD MANCE
CHIEF JUSTICE, AIFC COURT

THOMAS KRÜMMEL
CHAIRMAN, IAC



MR. CHRISTOPHER CAMPBELL-HOLT
REGISTRAR AND CHIEF EXECUTIVE, AIFC COURT AND IAC

RISK MANAGEMENT AND INTERNAL AUDIT

The AIFC appreciates the importance of having a robust risk management practice in place. The AIFC’s administrative body, the AIFC Authority, which is responsible for risk management, has established a solid risk management framework and approved appropriate internal controls governing the risk management process according to internationally accepted standards. These include COSO Enterprise Risk Management and ISO 31000: 2018 Risk Management. Responsibility for the oversight of the governance of effective risk management rests with the board of directors of each organisation of the AIFC. Boards are responsible for ensuring that the organisations have a risk management framework, appropriate internal controls, and a compliance framework in place that is effective, well-defined and well-integrated as part of the decision-making process. Each board also sets the risk appetite and risk tolerance level of the company.

- Risk Owners (heads of Structural Units) manage risks faced by their business units/functions, identify and evaluate the risks that may potentially impact the achievement of business objectives and 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 the 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.

RISK MANAGEMENT FRAMEWORK

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

- 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.
- Risk Management Procedures (Procedures), which describe the risk management process and define the key instruments used in the risk management process.

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 that 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 and oversees the maintenance of sound internal controls and the 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.

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 charter status from such professional bodies as the Association of Chartered Certified Accountants (ACCA).

ETHICAL CULTURE

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 confidentiality, conflicts of interest, anti-bribery and anti-corruption.

SUCCESS STORIES



ANU Energy OEIC is the first physical uranium fund in Kazakhstan and Central Asia and was incorporated in the AIFC in 2021. The fund leverages the combination of proximity to the largest reserve base of the world's largest uranium producer and supplier (national company Kazatomprom) with the AIFC and offers investors direct exposure to the attractive opportunity and safe jurisdiction modelled on the common law. The AIFC's ecosystem also provides a favourable tax and regulatory regime for investment funds.

The fund provides direct access to various categories of investors investing in emerging markets, especially those focused on environmental, social responsibility and corporate governance (ESG), clean energy, as well as commodity funds, sovereign funds and state-owned enterprises.

The cornerstone investors are Kazatomprom, National Investment Corporation of the National Bank of Kazakhstan and Genchi Global Limited, a UAE-based investment company. The fund's assets total USD 110 million.

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 have updated their 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 and 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: We have sound teamwork and effective, efficient vertical and horizontal communications within the AIFC community.

ETHICS PROGRAMME

For 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 and 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 an ethical culture in the AIFC.

In accordance with the action plan, the Speak Up Policy was adopted by 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 the 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. The AIFCA recognises that the early detection and reporting of wrongdoing depend on maintaining a culture of trust and integrity.





06. Annexes

STARTING A BUSINESS IN THE AIFC



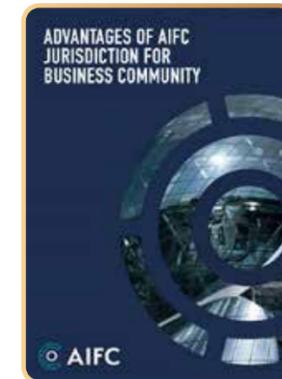
For authorisation and registration enquires please contact AIFC Authority, Participant Support & Sales Department:

BCS@AIFC.KZ

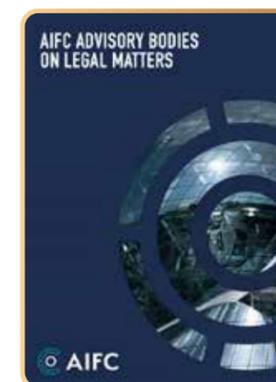
AIFC LEGAL AND REGULATORY FRAMEWORK



AIFC LEGAL FRAMEWORK



ADVANTAGES OF AIFC JURISDICTION FOR BUSINESS COMMUNITY



AIFC ADVISORY BODIES ON LEGAL MATTERS

AIFC Offices

AIFC CONTACTS



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GLOSSARY

4IR/C4IR	Fourth Industrial Revolution/Centre for Fourth Industrial Revolution	Central Asia	Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan	GFCI	Global Financial Centres Index	NCOC	North Caspian Operating Company
AAOFI	Accounting and Auditing Organisation for Islamic Financial Institutions	CFA	Chartered Financial Analyst	GFI	Global Fintech Index	OECD	Organisation for Economic Co-operation and Development
ACCA	Association of Chartered Certified Accountants	CGI	Chartered Governance Institute	GFIN	Global Financial Innovation Network	OTS	Organisation of Turkic States
ADB	Asian Development Bank	CIMA	Chartered Institute of Management Accountants	GGFI	Global Green Finance Index	PIT	Personal Income Tax
ADGM	Abu Dhabi Global Market	CIA	Certified Internal Auditor	GIEI	Global Islamic Economy Indicator	PMI	Project Management Institute
AFD	Astana Finance Days	CIS	Commonwealth of Independent States	GIFA	Global Islamic Finance Awards	REMS	Regional Equity Market Segment
AFIR	Asian Forum of Insurance Regulators	CIT	Corporate Income Tax	GIFR	Global Islamic Finance Report	RMB	Renminbi
AFK	Association of Financiers of Kazakhstan	CMC	Certified Management Consultant	GIP	Green Investment Principles	RNAM	Recognised Non-AIFC Member
AFM	Financial Monitoring Agency of Kazakhstan	CRF	Corporate Registers Forum	HMRC	The United Kingdom's HM Revenue and Customs	SCO	Shanghai Cooperation Organisation
AFSA	Astana Financial Services Authority	CSRC	China Securities Regulatory Commission	HRCI	HR Certification Institute	SDG	Sustainable Development Goal
AIFC/Centre	Astana International Financial Centre	EAEU	Eurasian Economic Union	IAC	International Arbitration Centre	SME	Small and Medium-Sized Enterprises
AIFCA	Astana International Financial Centre Authority	EAG	Eurasian Group on Combating Money Laundering and Financing of Terrorism	IAIS	International Association of Insurance Supervisors	SPO	Secondary Public Offering
AIFM	Alternative investment fund managers	EDB	Eurasian Development Bank	IAS	Internal Audit Service	UNDP	United Nations Development Programme
AIX	Astana International Exchange	EDS	Electronic Digital Signature	ICMA	International Capital Markets Association	VC	Venture Capital
AIX CSD	Astana International Exchange Central Securities Depository	EMMoU	Enhanced Multilateral Memorandum of Understanding	IFSB	Islamic Financial Services Board	W4E	Women's Economic Empowerment, Education and Entrepreneurship
AIXQI	AIX Qazaq Index	ESG	Environmental, Social, and Corporate Governance	IIN	Individual Identification Number	WAIFC	World Alliance of International Financial Centers
AML/CFT	Anti-Money Laundering and Combatting of Terrorism Financing	ESMA	European Securities and Markets Authority	IMF	International Monetary Fund	WEF	World Economic Forum
ARDFM	Agency of Kazakhstan for Regulation and Development of Financial Market	ETN, ETF	Exchange-Traded Note, Exchange-Traded Fund	IOSCO	International Organization of Securities Commissions	WFE	World Federation of Exchanges
ASP	Ancillary Service Provider	EU	European Union	IPO	Initial Public Offering	WIW	World Investors Week
BCBS	Basel Committee on Banking Supervision	FATF	Financial Action Task Force	ISDA	International Swaps and Derivatives Association		
BCPD	Bureau for Continuing Professional Development	FDI	Foreign Direct Investment	IsDB	Islamic Development Bank		
BRI	Belt and Road Initiative	FEAS	European and Asian Stock Exchanges	KASE	Kazakhstan Stock Exchange		
BSCEE	Group of Banking Supervisors from Central and Eastern Europe	FIC	Foreign Investors' Council	KZT	Kazakhstani tenge		
CCP	Central Counterparty Clearing House	FSRA	Financial Services Regulatory Authority	LSE	London Stock Exchange		
CEET	Central and Eastern Europe and Transcaucasian	FTSE	Financial Times Stock Exchange	MDDIAI	Ministry of Digital Development, Innovation and Aerospace Industry		
		GDP	Gross Domestic Product	MOEX	Moscow Exchange		
		GDR	Global Depositary Receipt	MoU/MMoU	Memorandum of Understanding/ Multilateral Memorandum of Understanding		
		GFC	Green Finance Centre	MSCI	Morgan Stanley Capital International		

