



AMENDMENTS № 12 TO AIFC CONDUCT OF BUSINESS RULES

Approval Date: 22 September 2024

Commencement Date: 18 October 2024

Astana, Kazakhstan

AIFC CONDUCT OF BUSINESS RULES (COB)

In this Appendix, a blue font and underlining indicates new text and strikethrough indicates deleted text, unless otherwise indicated.

1. APPLICATION

(...)

1.2.2. Exclusions in relation to certain categories of Centre Participant

For the avoidance of doubt, the requirements in COB do not apply to:

(...)

(b) unless otherwise provided under Rules made by the AFSA, an Authorised Market Institution (other than an Authorised Crowdfunding Platform), except for COB 3 (Communications with Clients and Financial Promotions) ~~unless otherwise provided under Rules made by the AFSA;~~

(...)

(e) unless otherwise provided under Rules made by the AFSA, a MTF Operator and an OTF Operator, except for COB 15 (Complaints Handling and Dispute Resolution).

(...)

4. KEY INFORMATION AND CLIENT AGREEMENT

(...)

4.6. Provision of key features document relating to Security Investment Tokens and Qualified Investment Tokens

- (1) An Authorised Firm must not provide a Financial Service to which this section applies to a Person unless it has provided that Person with a key features document containing the information in (2).
- (2) The key features document must contain the following information in respect of each Security Investment Token or Qualified Investment Token relevant to the Financial Services that the Authorised Firm will provide to the Person:

(a) the risks associated with and essential characteristics of the Issuer, other Person responsible for discharging the obligations associated with the rights conferred (if different to the Issuer) and guarantor if any, of the Security Investment Token or Qualified Investment Token, including their assets, liabilities and financial position;

(b) the risks associated with and essential characteristics of the Security Investment Token or Qualified Investment Token, including the rights and obligations conferred and the type or types of Investment which it represents;

(c) whether the Security Investment Token or Qualified Investment Token is or will be admitted to trading and, if so, the details relating to such admission, including details of the facility and whether the facility is within the AIFC;

(d) whether the Client can directly access the trading facility, or whether access is only through an intermediary, and the process for accessing the facility;

(e) risks associated with the use of DLT, particularly those relating to Digital wallets and the susceptibility of private cryptographic keys to misappropriation;

(f) whether the Client, the Authorised Firm or a third party is responsible for providing a Digital wallet service in respect of the Security Investment Token or Qualified Investment Token, and any related risks (for example, at whose risk the Client's Security Investment Tokens or Qualified Investment Tokens are held in the Digital wallet, whether it is accessible online or stored offline, what happens if keys to the Digital wallet are lost and what procedures can be followed in such an event);

(g) how the Client may exercise any rights conferred by the Security Investment Tokens or Qualified Investment Tokens such as voting or participation in shareholder actions; and

(h) any other information relevant to the particular Security Investment Token or Qualified Investment Token that would reasonably assist the Client to understand the product and technology better and to make informed decisions in respect of it.

(...)