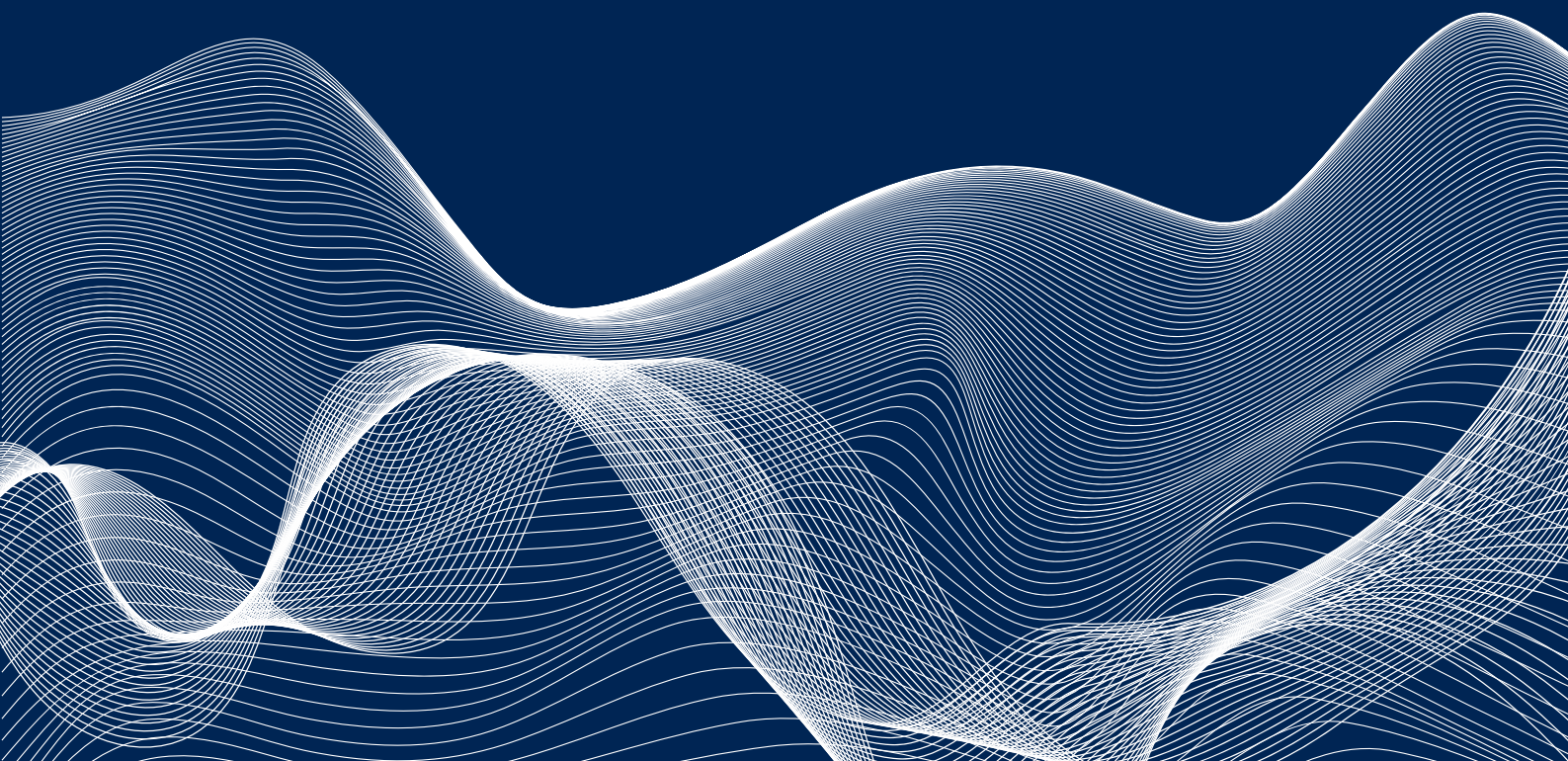




Handbook on
ISLAMIC FINANCIAL
COMPANIES
in the AIFC

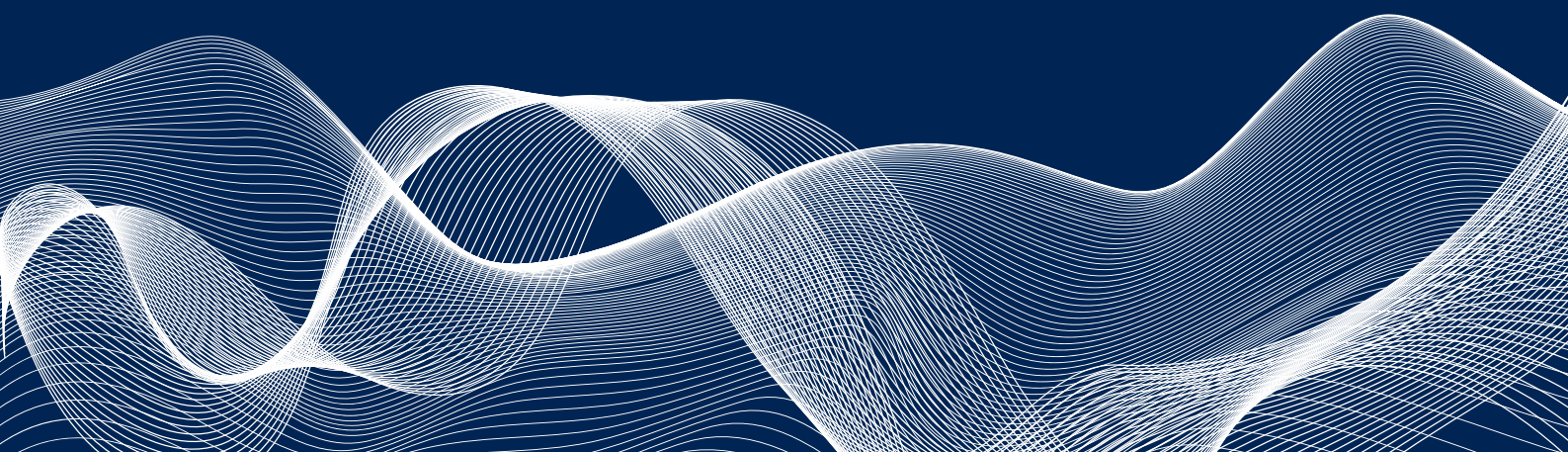


We appreciate your interest in the Astana International Financial Centre!

The AIFC boasts a cutting-edge and distinctive infrastructure tailored to serve Islamic financial institutions in both the retail and corporate sectors. This infrastructure encompasses a well-established legal and regulatory framework that aligns with the highest global financial center standards, along with favorable tax and currency regimes.

Within this handbook, you will discover essential information about the authorisation procedure for Islamic finance companies, along with the basic prerequisites for this application process.

For a more comprehensive overview of the various Islamic finance instruments and products offered at the AIFC, please refer to the guide provided [here](#).



What are the key considerations regarding the Islamic financial companies in the AIFC?

Activities permitted under the “Providing Islamic Financing” license:

Providing financing in a Shari’ah-compliant manner by entering into any Islamic Financial Contract.



[AIFC General Rules](#)

Special tax regime

- Exemption from corporate income tax
- Exemption from value added tax



[Joint Order On approving the List of financial services provided by participants of the AIFC, the income from which is exempt from payment of CIT, VAT](#)

Special currency regime

AIFC Participants holding this license are authorized to offer their services to both legal entities and individuals in Kazakhstan, transacting in any currency, including the Kazakhstani tenge.



[AIFC Rules on Currency regulation and provision of information on currency transactions in the AIFC](#)

Authorisation Process

Step 01. Submission of application

- Payment of application fee
- Preparation of application pack

Step 02. Assessment of application

- Evaluation against assessment criteria
- Interviews with the Regulator
- Request more information
- Recommendation of the Committee

Step 03. In-Principle Approval

- Notification
- Fulfilling the base capital requirements
- Other requirements (if applicable)

Step 04. Company Registration

- Filing of the registration forms
- Obtaining the Business Identification Number

Step 05. Authorisation

- Issuance of a license

Important Information on Authorisation Process



The cost of authorisation process:

- Application fee – \$ 10 000
- Registration fee on www.digitalresident.kz – \$ 300



Where to learn more:

- [AIFC Financial Services Framework Regulations](#)
- [AIFC General Rules](#)
- [AIFC Islamic Finance Rules](#)
- [AIFC Fees Rules](#)

Requirements for Islamic finance companies

Minimum Capital Requirements

- In case if only own funds are used: 100 000 USD*
- In case if not only own funds: 500 000 USD*
- No minimum capital requirements for branches

* **Until November 2024.** More information available [here](#)

Officers

- Controlled Functions
 - Senior Executive Officer / Director
 - Finance Officer
 - Compliance Officer
- Designated Function
 - Money Laundering Reporting Officer



Certain roles can be combined

Shari'ah Supervisory Board (SSB)

- Can be in-house, outsourced or from head office
- Must consist of at least 3 members

Documents & System Controls for Authorisation

- Application form for Regulated Activities and Supplement form based on the proposed license
- Applications for individuals who will carry out Controlled and Designated Functions
- Regulatory business plan
- Islamic finance documentation: copy of constitutional document, Shari'ah supervisory board policy, product disclosure documentation, Shari'ah compliance policies and procedures manual
- Supporting documents: compliance manual, anti-money laundering procedures, compliance monitoring programme, risk management policy, remuneration policy, etc.
- Funding strategy
- Internal capital adequacy assessment process
- Employee code of conduct
- Incorporation certificate of parent/head office
- Board minutes approving the establishment of the AIFC entity
- Board and management committees' terms of reference
- Regulatory license of parent company (if applicable)



The list is not exhaustive. The Regulator may require any additional documents

Disclaimer

Please be aware that this guidelines serves the sole purpose of furnishing fundamental information and aiding in the comprehension of the primary requisites and regulations governing Islamic financial companies within the AIFC.

This documents should not be construed as legal advice.

For legal advice, we strongly recommend reaching out to professional consultants who are duly licensed by the Regulator to provide ancillary services. They can offer assistance with matters such as registration, authorisation, and post-registration procedures within the AIFC.

A comprehensive directory of ancillary service providers is accessible in the [Public Register](#).

Furthermore, additional details about licensed consultants, including their professional background and contact details, are accessible [here](#).

CONTACT US:

Madina Tukulova (Mrs.)
Head of Islamic Finance



m.tukulova@aifc.kz



+77017413938

FOLLOW US:



LinkedIn: [aifc-business](#)



www.aifc.kz

