

## Consultation Paper No.12

### Introduction

#### 1. Why are we issuing this paper?

The Astana International Financial Centre Authority (the “AIFC Authority”) has issued this Consultation Paper to invite public feedback and comments on the proposed AIFC Legal Services Regulations and amendments to the AIFC Rules (the “Proposed Framework”).

The proposed framework aims at establishing the AIFC regime on the regulation of legal advisers at an individual level.

The proposed AIFC Legal Services Regulations will provide a statutory ground to establish the AIFC Legal Services Board as a designated body within the AIFC for registration and regulation of legal advisers, which will be determining standards of legal services, qualification requirements, code of ethics and any other necessary measures to foster the development of the AIFC legal services market.

Furthermore, to ensure integrity and consistency with the regulatory regime of the AFSA, it is proposed to make amendments to the AIFC General Rules, AIFC Conduct of Business Rules and the AIFC Glossary on a statutory requirement for registration of at least 1 legal adviser for Legal Services Providers to be eligible to receive and maintain a licence from the AFSA to Providing Legal Services in the AIFC.

The introduction of the legal services regulation regime will sustain conduct and ensure high, professional standards of competence, skills and integrity in the delivery of legal services in the AIFC. This will also provide protection to those using legal services, ensure a level playing field within the AIFC legal market, and support the proper application of the Acting Law of the AIFC.

#### 2. Who should read this paper?

This Consultation Paper may be of interest to the current and prospective AIFC Participants, as well as all the AIFC Bodies and their organisations, legal advisers employed by AIFC Participants or AIFC Bodies or legal advisers seeking to be employed by AIFC Participants or AIFC Bodies, and generally, to all interested in providing their feedback to the Proposed Framework.

#### 3. How to provide comments?

AIFC Authority encourages interested parties to provide their views and comments in writing on the issues outlined in the Consultation Paper.

All comments should be provided to the following person:

**Aigerim Tasbolatkyzy**  
**Senior Associate of Legal Development Department**  
**Tel: +7 702 976 60 15**  
**e-mail: a.tasbolatkyzy@aifc.kz**

You may as well identify your organisation in the provided comments.

By submitting your comments to the AIFC Authority you expressly consent to the processing by the AIFC Authority of the personal data pertaining to you, including, but not limited to the collection, recording, organisation, storage, adaptation or alteration, retrieval, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, blocking, erasure or destruction of thereof, as per the AIFC Data Protection Regulations 2017.

The AIFC Authority reserves the right to publish, including on its website, any comments you provide, unless you expressly request otherwise at the time of making comments. Comments supported by reasoning and evidence will be given more weight by AIFC Authority.

#### **4. What happens next?**

The deadline for providing comments on the proposals in this Consultation Paper is 15 March 2022.

Once we receive your comments, we will consider if any further refinements are required to the Proposed Framework annexed to this Consultation Paper at Annex 2 and 3. Once the task is complete, the draft of the Proposed Framework will be further processed in accordance with the requirements, stipulated in the AIFC Regulations on AIFC Acts 2017.

The Proposed Framework is in draft form only and is, therefore, subject to change following consultation as mentioned above. Consequently, you should not act on it until the Proposed Framework is formally enacted.

### **Legislative proposal**

**Annex 1 – Policy paper**

**Annex 2 – Draft AIFC Legal Services Regulations**

**Annex 3 – Proposed amendments to the AIFC Rules**

**Policy Paper  
on proposed AIFC Legal Services Regulations  
and amendments to the AIFC Rules**

## Status quo

Currently, AIFC registered Legal Services Providers as Ancillary Service Providers are governed by Part 13 (Ancillary Service Providers) of the AIFC Conduct of Business Rules 2017. The AIFC Conduct of Business Rules 2017 requires compliance with eight basic principles covering (a) integrity, (b) independence, (c) acting in good faith, (d) acting in the best interests of clients, (e) service standards, (f) compliance with legal and regulatory obligations, (g) maintaining sound governance arrangements and observing appropriate financial and risk management principles, and (h) protection of client money and client assets.

In the context of Legal Services Providers, the existing regulatory regime does not impose specific qualification requirements on legal advisers at an individual level. As such, professional legal education or training is not currently a prerequisite for the provision of legal services.

Obligations that might require a specific approach for legal advisers – such as confidentiality, client-attorney privilege, acting in the best interest of the client, supporting the proper administration of justice and the rule of law - are likely to require specific regulatory provision.

The lack of specific qualification requirements and standards for monitoring the quality of legal services provided by legal advisers could undermine the establishment of a strong, independent and efficient legal community. The lack of clarity on qualification requirements and standards of services is also exacerbated by the fact that legal advisers emanating from different jurisdictions have a different understanding and interpretation of core legal duties.

The AIFC Authority has approached the AFSA to fix this regulatory gap through establishing new regulations in relation to individual lawyers providing legal services in the AIFC.

## Problem

The lack of specific qualification requirements and standards for monitoring the quality of legal services provided by legal advisers at an individual level in the AIFC.

## Best Practice

The approach applied in most of the common law jurisdictions, including English law, is the benchmark model for the AIFC. Meanwhile, full adoption of the English legal regulatory framework to regulate Legal Services Providers at an entity level and legal advisers at an individual level would unnecessarily complicate and burden the future regulatory regime.

The most effective approach for the present time would therefore be a simpler user-friendly regulatory framework with a set of codes and related rules that establish clear standards that must be achieved, whilst simultaneously allowing flexibility and recognising that the AIFC should tread carefully in creating regulatory burdens beyond required standards. The future regulatory regime will be modelled on best practices from developed legal markets, such as Hong Kong, Singapore, while taking into account the unique context of the still-developing AIFC legal market.

## Proposal

The core of the legislative proposal is to supplement the existing regime of the AFSA on authorisation and monitoring of Legal Services Providers by the introduction of standards of legal services, quality control, code of ethics and standards of legal education and training for legal advisers in the AIFC.

## **(1) AIFC Legal Services Regulations**

The draft AIFC Legal Services Regulations are the primary piece of legislation aiming at establishment of the AIFC regime on the regulation of legal advisers at an individual level. The draft AIFC Legal Services Regulations were developed per recommendations and analysis given by the AIFC Advisory Panel on Legal Regulatory Matters, and in consultations with Legal Advisory Council and the AFSA.

*Note: For purpose of the AIFC Legal Services Regulations, 'Legal Advisers' means, in relation to the provision of legal services, an individual:*

*(a) who is employed or appointed by an AIFC Body, its organisation, or an AIFC Participant in connection with the business of an AIFC Body, its organisation, or AIFC Participant in the AIFC, whether under a contract of service or for services or otherwise; or*

*(b) whose services provided in the AIFC, under an arrangement between an AIFC Body, its organisation, or an AIFC Participant and a third party, are placed at the disposal and under the control of an AIFC Body, its organisation, or an AIFC Participant; or*

*(c) who is otherwise specified to be eligible for the purposes of these Regulations by the Legal Services Board, one particular class of such individuals being legal advisers or counsel based outside Kazakhstan who spend a limited amount of time in the AIFC for the purposes of, for example, a corporate transaction.*

The AIFC Legal Services Regulations will provide a statutory ground to establish the AIFC Legal Services Board as a designated body within the AIFC which will be determining standards of legal services, qualification requirements, code of ethics and any other necessary measures to foster the development of the AIFC legal services market.

The AIFC Legal Services Board will be empowered primarily to register legal advisers and keep the register of them at an individual level.

The AIFC Legal Services Board will establish a system on recognition and acknowledgement of fitness and propriety (standing with any relevant regulatory body and a certificate of good standing) of legal advisers wishing to register with the AIFC Legal Services Board.

The AIFC Authority as an operating body of the AIFC Legal Services Board will be responsible for implementation of strategic decisions set by the AIFC Legal Services Board, control and supervision over the enforcement of the AIFC Legal Services Regulations and/or resolutions of the AIFC Legal Services Board, and management of day-to-day activities of the AIFC Legal Services Board.

It is important to note that, the AIFC Legal Services Board will not provide authorisation and will not license AIFC Participants. The setting and enforcement of rules on registration and supervision of the activity of AIFC registered Legal Services Providers at an entity level, including AML oversight, will remain with AFSA under the AIFC Financial Services Framework Regulations and rules thereunder.

Meanwhile, registration of at least 1 legal adviser with the AIFC Legal Services Board will be a statutory requirement for Legal Services Providers to be eligible to receive and maintain a Licence from the AFSA to Providing Legal Services in the AIFC, after 6 (six) months from the date as the Governor takes the formal decision on the establishment of the AIFC Legal Services Board under section 7 of the AIFC Legal Services Regulations.

The AIFC Legal Services Regulations also intend to determine the functions of the AIFC Academy of Law in the maintenance and improvement of the standards of legal education in the AIFC.

Furthermore, the AIFC Legal Services Regulations will have its subsidiary legislation comprised from but not limited to:

- AIFC Legal Services Board Rules "Legal Services Code";  
*For reference: the draft Legal Services Code was developed under draft AIFC Legal Services Regulations and envisages recommendations of the AP and the best world practice in matters of regulation of the legal profession and defines a single standard for*

*the provision of legal services to protect the interests of society and consumers of legal services.*

- AIFC Legal Services Board Rules “Fees Rules”;  
*For reference: draft Fees Rules was developed under draft AIFC Legal Services Regulations and determine the amount of contributions for providers of legal services. In particular, the draft rules determine amounts of application and annual fees, fees for extracts of information from the Registers of Public Information.*
- “Recognised List of Professional Bodies”;  
*For reference: the draft decision was developed under draft AIFC Legal Services Regulations and determines a list of recognised professional bodies for purpose of acknowledgement of professional qualifications and registration.*
- “Guidelines for registration of Advisers/Counsels Employed by Legal Services Providers and Individual Legal Advisers/Counsels: How to apply”:  
*For reference: The Guidelines was prepared to provide guidance for advisers/counsels employed by legal services providers and individual legal advisers/counsels to register in the AIFC Legal Services Board Register; and*
- any other instruments developed and adopted by the AIFC Legal Services Board under the AIFC Legal Services Regulations.

The introduction of these standards will sustain conduct and ensure high, professional standards of competence, skills and integrity in the delivery of legal services in the AIFC. This will also provide protection to those using legal services, ensure a level playing field within the AIFC legal market, and support the proper application of the Acting Law of the AIFC.

## **(2) Amendments to the AIFC Rules**

To ensure integrity and consistency with the regulatory regime of AFSA, it is proposed to make the following amendments to the AIFC Rules.

### *(a) AIFC General Rules*

It is suggested to make amendments to AIFC General Rules on a statutory requirement in registration of at least 1 legal adviser for Legal Services Providers to be eligible to receive and maintain a Licence from the AFSA to Providing Legal Services in the AIFC.

### *(b) AIFC Conduct of Business Rules*

It is suggested to set out statutory requirements determined by the proposed amendments to the AIFC General Rules. The legislative intent is to establish statutory requirement on employing of at least 1 legal adviser for legal services providers to be eligible to maintain a Licence from the AFSA to Providing Legal Services in the AIFC.

### *(c) AIFC Glossary*

It is suggested to introduce interpretative provisions of ‘Legal Adviser’ and ‘AIFC Legal Services Board’ to the AIFC Glossary, used in the AIFC General Rules and the AIFC Conduct of Business Rules.

## **Outcomes**

### **(1) AIFC Legal Services Regulations**

AIFC Legal Services Regulations will allow the establishment of a regulatory regime which will ensure that the legal services market of the AIFC is properly upheld with protection and promotion of consumer interests and the wider public interest; encouragement of an independent and effective legal profession and strict adherence to the professional principles of conduct and ethics in collaboration with the AIFC Bodies.

The regulatory mechanisms will endeavour to ensure high, professional standards of competence, skill and integrity in the delivery of legal services.

It is expected that the proposed regulatory regime will enhance understanding of, and expertise in the Acting Law of the AIFC and, thereby, attract more international participants, promoting the AIFC's success as the leading financial hub in the international arena.

## **(2) Amendments to the AIFC Rules**

The amendments as a trigger would allow introducing a statutory requirement on the appointment of an employee of ASP who is registered with the AIFC Legal Services Board.

Overall, the amendments will further enhance the AIFC's legal services regulatory regime to meet the objectives of the AIFC as determined by article 2 (Purpose, objectives and principles) of the Constitutional Statute on the AIFC and aligned with the AIFC Development Strategy until 2025, develop knowledge-based legal services market in the AIFC and promote the AIFC as a leading regional hub for international finance and business with a legal and regulatory structure that complies with international best practice.

## **Strategic Relevance**

The establishment of the regulatory regime on legal services is determined as one of the strategic goals for further development of the AIFC jurisdiction under the AIFC Development Strategy until 2025, adopted by the resolution of the AIFC Management Board date 2 July 2020.

The establishment of the regulatory regime on legal services will help to bring the AIFC legal community in line with international best practices and provide an opportunity to develop the AIFC legal market in a manner that will build confidence therein, providing simple user-friendly regulation which remains flexible enough to provide for the unique context of the AIFC's developing legal sector. The future regulatory regime will introduce standards of legal services, quality control, code of ethics and standards of legal education and training for the conduct of legal services providers and legal advisers and counsels employed by legal services providers operating within the AIFC.

The regulatory mechanisms under the future regime will endeavour to ensure high, professional standards of competence, skill and integrity in the delivery of legal services. The ultimate objectives of the proposed regulatory regime are to enhance understanding of, and expertise in the acting law of the AIFC and thereby attract more international participants, promoting the AIFC's success as the leading financial hub in the international arena.

## **Financial implications**

The proposed framework do not require an additional expenditure from the AIFC budget.

**AIFC      LEGAL      SERVICES**  
**REGULATIONS (LSR)**  
**AIFC REGULATIONS NO. \_\_ OF 2022**

**CONTENTS****PART 1: GENERAL**

1. **Name**
2. **Legislative authority**
3. **Purpose of these Regulations**
4. **Application of these Regulations**
5. **Commencement**
6. **Interpretation**

**PART 2: AIFC LEGAL SERVICES BOARD**

7. **Establishment of AIFC Legal Services Board**
8. **Regulatory principles of AIFC Legal Services Board**
9. **Regulatory objectives of AIFC Legal Services Board**
10. **Powers and functions of AIFC Legal Services Board**
11. **Composition of AIFC Legal Services Board**
12. **Appointment and removal of the Chairman and members of AIFC Legal Services Board**
13. **Resignation of members of AIFC Legal Services Board**
14. **Protection from personal liability**
15. **Office of AIFC Legal Services Board**

**PART 3: AIFC ACADEMY OF LAW**

16. **Functions of the AIFC Academy of Law**

**PART 4: REGISTRATION OF LEGAL ADVISERS**

17. **Registration of Legal Advisers**
18. **Criteria for application for registration of Legal Adviser**
19. **Communication**
20. **Disclosure of regulatory status**

**PART 5: CONTINUING OBLIGATIONS OF REGISTERED LEGAL ADVISERS**

21. **Continuing obligations of registered of Legal Advisers**
22. **Notification**

**SCHEDULE 1: INTERPRETATION**

1. **Definitions**



**PART 1: GENERAL****1. Name**

These Regulations are the *AIFC Legal Services Regulations 2022*.

**2. Legislative authority**

These Regulations are adopted by the Governor under article 4 of the Constitutional Statute and subparagraphs 3) and 4) of paragraph 9 of the Management Council Resolution on AIFC Bodies.

**3. Purpose of these Regulations**

The purpose of these Regulations is to:

- (a) provide a regulatory framework in relation to registered Legal Advisers who are providing legal services in the AIFC, for the benefit of those individuals, of the relevant Legal Services Providers through whom the services of those individuals are supplied in the AIFC, and of the current and potential Clients of those individuals or of those Providers;
- (b) ensure that registered Legal Advisers, and legal services undertaken by them in the AIFC, follow international best practice in the field of regulation of legal services and Providing Legal Services;
- (c) establish the AIFC Legal Services Board;
- (d) guide the functions of the AIFC Academy of Law in the maintenance and improvement of the standards of legal education in the AIFC; and
- (e) promote the importance of the role of the AIFC Academy of Law in supporting the development of professional competencies that meet the standards of practice contemplated in these Regulations.

**4. Application of these Regulations**

These Regulations apply within the jurisdiction of the AIFC.

**5. Commencement**

These Regulations commence on 1 July 2022, except:

- (a) section 7, which commences on such date they are adopted by the Governor;
- (b) section 15, which commences on such date as the Governor decides to establish the AIFC Legal Services Board under section 7 of these Regulations; and
- (c) sections 17 (c) and 21 (b), which commence after 12 months from such date as the Governor decides to establish the AIFC Legal Services Board under section 7 of these Regulations.

**6. Interpretation**

Schedule 1 contains definitions and other interpretative provisions used in these Regulations.

**PART 2: AIFC LEGAL SERVICES BOARD****7. Establishment of AIFC Legal Services Board**

- (1) By virtue of these Regulations, the AIFC Legal Services Board is to be established by, and with effect from, a decision of the Governor, and shall take the form of a designated body for the registration and regulation of Legal Advisers to maintain, in respect of matters concerning Legal Advisers, the safety and soundness of the legal services market in the AIFC.
- (2) When performing its functions, the AIFC Legal Services Board shall have complete independence and shall act independently and impartially.

**8. Regulatory principles of AIFC Legal Services Board**

In performing its functions and exercising its powers, the AIFC Legal Services Board will promote the following regulatory principles:

- (a) that registered Legal Advisers act with independence and integrity;
- (b) that registered Legal Advisers maintain proper standards of professional practice;
- (c) that registered Legal Advisers act in the best interests of their Clients;
- (d) that registered Legal Advisers who exercise before any court a right of audience, or conduct litigation in relation to proceedings in any court comply with their duty to the court to act with independence in the interests of justice; and
- (e) that registered Legal Advisers keep confidential the affairs of their Clients.

**9. Regulatory objectives of AIFC Legal Services Board**

In performing its functions and exercising its powers, the AIFC Legal Services Board will pursue the following objectives:

- (a) supporting the principle of the rule of law;
- (b) the regulation, control and supervision of activities in the AIFC by Legal Advisers with a view to the maintenance of the safety and soundness of the legal services market within the AIFC;
- (c) ensuring that in respect of matters concerning Legal Advisers, the legal services market in the AIFC is fair, efficient, transparent and orderly;
- (d) creating fair, transparent and non-discriminatory conditions for Legal Advisers;
- (e) fostering and maintaining confidence in the AIFC's legal services market and regulatory regime for Legal Advisers;
- (f) in respect of matters concerning Legal Advisers, fostering and maintaining the stability of the AIFC's legal services industry and legal services market;
- (g) preventing, detecting and restraining actions that may cause damage to the reputation of the AIFC or to the legal services rendered in the AIFC by taking appropriate measures against persons under its jurisdiction, including by taking disciplinary actions;
- (h) in respect of matters concerning Legal Advisers, protecting interests of the Clients of legal

services providers;

- (i) implementing in the AIFC a regulatory regime that complies with international principles in the sphere of regulation of legal services such as proportionality, accountability, consistency and transparency;
- (j) fostering the development of the legal profession and services in the AIFC; and
- (k) pursuing such other objectives as may be specified by the Acting Law of the AIFC from time to time.

## 10. **Powers and functions of AIFC Legal Services Board**

The AIFC Legal Services Board has powers to exercise the following functions:

- (a) to adopt Rules establishing standards for legal services, quality control, a code of ethics and any other requirements that must be met and the procedure that must be followed in order for a person to register and carry on activities as a registered Legal Adviser in the AIFC;
- (b) to supervise and monitor the activities of registered Legal Advisers in accordance with the provisions of the Rules;
- (c) to receive, investigate and impartially determine complaints against registered Legal Advisers, and take necessary actions consequent to those determinations, including such disciplinary actions as giving a written rebuke, directing the payment of a financial penalty, disqualifying registered Legal Advisers, making an order to control registered Legal Advisers' activities, or imposing a condition on the practising certificate of registered Legal Advisers;
- (d) to prescribe fees for the registered Legal Advisers, and Legal Advisers applying for registration with the AIFC Legal Services Board, payable to the AIFCA and forms required for the implementation of the provisions of the Rules;
- (e) to prepare and adopt guidelines for registered Legal Advisers;
- (f) to determine the requirements relating to legal education and training that must be met and the procedure that must be followed by registered Legal Advisers;
- (g) to provide for the waiver or modification of any requirement and provisions of the Rules;
- (h) to maintain a reliable and up-to-date Roll of registered Legal Advisers; and
- (i) to exercise any other functions including but not limited to preparing and approving strategies, policies and objectives of the AIFC Legal Services Board, preparing reports on the implementation of these strategies, policies and objectives, and presenting the same to the Governor.

## 11. **Composition of AIFC Legal Services Board**

- (1) The AIFC Legal Services Board is to be appointed by the Governor and is to consist of a Chairman and at least 3, but not more than 7, members.
- (2) Inaugural and subsequent Board appointments will be made on the basis of fixed terms of varying length to ensure continuity and development of regulatory practice.
- (3) The Governor may delegate any function exercisable by the Governor under these

Regulations to such persons as the Governor considers appropriate.

**12. Appointment and removal of the Chairman and members of AIFC Legal Services Board**

- (1) In appointing any person to be the Chairman or a member, the Governor may have regard to the desirability of securing that the AIFC Legal Services Board includes members who (between them) have experience in or knowledge of—
  - (a) the provision of legal services;
  - (b) legal education and legal training;
  - (c) consumer affairs;
  - (d) civil or criminal proceedings and the working of the courts;
  - (e) competition matters;
  - (f) the establishment and maintenance of the professional standards of persons who provide legal services;
  - (g) the establishment and maintenance of standards in professions other than the legal profession;
  - (h) the handling of complaints;
  - (i) commercial affairs;
  - (j) non-commercial legal services;
  - (k) the differing needs of consumers;
  - (l) experience of professional, economic or competition regulation; and
  - (m) digital and related matters.
- (2) The Chairman and members of the Board:
  - (i) shall be individually appointed for initial fixed terms not exceeding 5 years; and
  - (ii) may have such appointments renewed, such that the total term served does not exceed 9 years.
- (3) All appointments to the Board are to be made on the basis of selection on merit following open and fair competition, with no element of election or nomination by any particular sector or interest group.
- (4) The Chairman and members of the Board are appointed from among the representatives of the AIFC Bodies, the AIFC Academy of Law, consultative and advisory bodies formed by the Governor, and Legal Services Providers, on a voluntary basis.
- (5) The Chairman or a member of the Board may be suspended or removed from office by a decision of the Governor, and any such decision shall be published and shall give the reason or reasons for which it was made.

**13. Resignation of members of AIFC Legal Services Board**

The Chairman or a member of the AIFC Legal Services Board may at any time resign by providing to the Governor at least one month's notice in writing.

**14. Protection from personal liability**

No liability shall be incurred by the Chairman or members of the AIFC Legal Services Board or any other person acting under the direction of the AIFC Legal Services Board, as a result of anything done (including any statement made) or omitted to be done in the execution or purported execution of the AIFC Legal Services Board's functions under these Regulations.

**15. Office of AIFC Legal Services Board**

- (1) The Office of the AIFC Legal Services Board (the **Office**) is established within the framework of the AIFCA.
- (2) The Office is an operating body with the following functions:
  - (a) implementation of strategic decisions set by the AIFC Legal Services Board,
  - (b) control and supervision over the enforcement of these Regulations and/or resolutions of the AIFC Legal Services Board; and
  - (c) management of day-to-day activities, and exercise of any other powers, as set by these Regulations and/or resolutions of the AIFC Legal Services Board.
- (3) The Office is headed by the Head of Office who acts on behalf of and represents the AIFC Legal Services Board with full authority in relations with other organisations within the limits set out by the AIFC Legal Services Board.
- (4) If the Board considers it necessary in order to ensure the efficiency of the AIFC Legal Services Board, the Office may comprise a Deputy Head of Office and officers in addition to Head of Office.
- (5) The Head of Office shall be appointed and dismissed by a decision of the AIFC Legal Services Board after consultation with the Governor.

**PART 3: AIFC ACADEMY OF LAW****16. The AIFC Academy of Law and its functions**

The functions of the AIFC Academy of Law as an institution and educational platform are as follows:

- (a) to maintain and improve the standards of legal education in the AIFC and, in particular, to make recommendations to the appropriate authorities on the training and education required for persons employed by or supplying services for the Legal Services Providers, and to review the implementation of initiatives, programmes and curricula relating to legal education in the AIFC, including diploma and professional legal education and training;
- (b) to provide for the legal education and training, examination of Legal Advisers registered or intending to be registered by the AIFC Legal Services Board;
- (c) to advise the AIFC Legal Services Board as to whether any degree conferred by any institution of higher learning in or outside the AIFC is a qualification prescribed by any Rules, and recommend legal education programmes that may satisfy the competencies criteria and practice standards contemplated by these Regulations;
- (d) to facilitate the development of the AIFC as an international centre for legal education; and
- (e) to exercise any other functions determined by these Regulations, Rules.

**PART 4. REGISTRATION OF LEGAL ADVISERS****17. Registration of Legal Advisers**

A person wishing to be registered as a Legal Adviser may apply to the AIFC Legal Services Board for a registration by the AIFC Legal Services Board and in doing so must:

- (a) complete the prescribed form and file the form with the AIFC Legal Services Board accompanied by such documents as are specified in the form;
- (b) provide such further information as the AIFC Legal Services Board may require; and
- (c) pay the fee prescribed by the AIFC Legal Services Board.

**18. Criteria for application for registration of Legal Adviser**

A Legal Adviser wishing to be registered by the AIFC Legal Services Board must be able to demonstrate to the satisfaction of the AIFC Legal Services Board that he or she:

- (a) is fit and proper;
- (b) has obtained or is able to rely on adequate and appropriate professional indemnity insurance;
- (c) has, or is able to rely on, adequate systems, procedures and controls to ensure due compliance with the requirements set by the AIFC Legal Services Board; and
- (d) has complied with any other requirement specified by the AIFC Legal Services Board.

**19. Communication**

A registered Legal Adviser who is employed by or provide services to a Legal Services Provider must ensure that each notification which he or she provides to the AIFC Legal Services Board is:

- (a) is in writing;
- (b) is in English; and
- (c) contains the Legal Services Provider's name.

**20. Disclosure of regulatory status**

A registered Legal Adviser must not:

- (a) expressly or by implication misrepresent his or her regulatory status in the AIFC; or
- (b) use or reproduce the AIFC Legal Services Board's logo or other identifying mark without express written permission from the Board and in accordance with any conditions for use imposed by the Board.

**PART 5. CONTINUING OBLIGATIONS OF REGISTERED LEGAL ADVISERS****21. Continuing obligations of registered Legal Advisers**

A registered Legal Adviser must ensure that at all times he or she:

- (a) remains fit and proper to carry out his or her role; and
- (b) undertakes continuing professional development in accordance with the requirements and standards established by the Rules adopted by the AIFC Legal Services Board.

**22. Notification**

A registered Legal Adviser must promptly notify the AIFC Legal Services Board of any changes to his or her professional insurance cover, including termination and renewal.



**SCHEDULE 1: INTERPRETATION**
**1. Definitions**

In these Regulations:

**Acting Law of the AIFC** has the meaning given by article 4 of the Constitutional Statute.

**AIFCA** means the Astana International Financial Centre Authority.

**AIFC Bodies** has the meaning given by article 9 of the *Constitutional Statute* and the document entitled *The Structure of the Bodies of the Astana International Financial Centre* adopted by the Management Council on 26 May 2016.

**AIFC Participants** has the meaning given by article 1(5) of the *Constitutional Statute*.

**Chairman** means the Chairman of the Board of the AIFC Legal Services Board.

**Client** means:

- (a) in relation to contentious business, any Person who, as a principal or on behalf of another Person, retains or employs, or is about to retain or employ, a Legal Services Provider, or an individual Legal Adviser,
- (b) in relation to non-contentious business —  
  
any Person who, as a principal or on behalf of another, or as a trustee, an executor or an administrator, or in any other capacity, retains or employs or is about to retain or employ, a Legal Services Provider or an individual Legal Adviser; and
- (c) In both (a) and (b) above, a Person who is or may be liable to pay a Legal Services Provider's or an individual Legal Adviser's costs (including fees, charges, disbursements, expenses and remuneration) is also treated as a Client for the purposes of and in connection with that liability.

**Constitutional Statute** means Constitutional Statute of the Republic of Kazakhstan dated 7 December 2015 entitled On the Astana International Financial Centre.

**Governor** means the Governor of the Astana International Financial Centre.

**Legal Adviser** means, in relation to the provision of legal services, an individual:

- (a) who is employed or appointed by an AIFC Body, its organisation, or an AIFC Participant in connection with the business of an AIFC Body, its organisation, or AIFC Participant in the AIFC, whether under a contract of service or for services or otherwise; or
- (b) whose services provided in the AIFC, under an arrangement between an AIFC Body, its organisation, or an AIFC Participant and a third party, are placed at the disposal and under the control of an AIFC Body, its organisation, or an AIFC Participant; or
- (c) who is otherwise specified to be eligible for the purposes of these Regulations by the Legal Services Board, one particular class of such individuals being legal advisers or counsel based outside Kazakhstan who spend a limited amount of time in the AIFC for the purposes of, for example, advising or facilitating a corporate transaction.

In these Regulations, in the Rules, in the Roll and in any other document produced by any Person in connection with these Regulations, the expression "Counsel" may be substituted for "Legal Adviser" if that appears preferable in the context.

**Legal Services Provider** means an AIFC Participant which has been licensed by the Astana Financial Services Authority to carry on Providing Legal Services.

**Management Council** means the Management Council of the Astana International Financial Centre.

**Management Council Resolution on AIFC Bodies** means *The Structure of the Bodies of the Astana International Financial Centre*, adopted by resolution of the Management Council on 26 May 2016, as amended by resolution of the Management Council, *The Amendments and supplementations to the Structure of the Bodies of the Astana International Financial Centre*, adopted on 9 October 2017.

**Person** includes any natural person or incorporated or unincorporated body, including a company, partnership, unincorporated association, government or state.

**Providing Legal Services** as defined in paragraph 1 of Schedule 2 of AIFC General Rules.

**Regulations** means Regulations adopted by the Management Council or Governor, and includes these Regulations.

**Roll** means the paper or electronic records prepared by the AIFC Legal Services Board for the purpose of recording the information pertaining to Legal Advisers.

**Rules** means Rules adopted by the AIFC Legal Services Board.

In this document, the underlining indicates new text and strikethrough indicates deleted text, unless otherwise indicated.

## PROPOSED AMENDMENTS TO THE AIFC GENERAL RULES

### 1. LICENSING OF CENTRE PARTICIPANTS

(...)

#### 1.3.3. Fitness and propriety

In assessing whether an applicant is fit and proper for the purposes of section 41 of the Framework Regulations, the AFSA will consider:

- (a) the applicant's standing with any relevant regulatory body;
- (aa) registration with the AIFC Legal Services Board of at least one employee of the applicant applying for a Licence to carry on an Ancillary Service of Providing Legal Services;
- (b) the applicant's disciplinary record;
- (c) the applicant's procedures for monitoring and preventing Financial Crime;
- (d) the risk posed to the AIFC by the applicant's activities; and
- (e) such other matters as the AFSA considers relevant.

Note: GEN 1.3.3 (aa) commences after 12 months from such date as the Governor decides to establish the AIFC Legal Services Board under section 7 of the AIFC Legal Services Regulations 2022.

## PROPOSED AMENDMENTS TO THE AIFC CONDUCT OF BUSINESS RULES

(...)

#### 13.3. Additional obligation of an Ancillary Service Provider licensed to carry on an Ancillary Service of Providing Legal Services

An Ancillary Service Provider licensed to carry on an Ancillary Service of Providing Legal Services must at all times employ at least one Legal Adviser registered with the AIFC Legal Services Board.

Note: COB 13.3 commences after 12 months from such date as the Governor decides to establish the AIFC Legal Services Board under section 7 of the AIFC Legal Services Regulations 2022.

## PROPOSED AMENDMENTS TO THE AIFC GLOSSARY

### 2. INTERPRETATION

(...)

AIFC Legal Services Board means a designated body for the registration and regulation of Legal Advisers to maintain the safety and soundness of the legal services market in the AIFC.

(...)

Legal Adviser means, in relation to the provision of legal services, an individual:

- (a) who is employed or appointed by an AIFC Body, its organisation, or an AIFC Participant in connection with the business of an AIFC Body, its organisation, or AIFC Participant in the AIFC, whether under a contract of service or for services or otherwise; or
- (b) whose services provided in the AIFC, under an arrangement between an AIFC Body, its

organisation, or an AIFC Participant and a third party, are placed at the disposal and under the control of an AIFC Body, its organisation, or an AIFC Participant; or

- (c) who is otherwise specified to be eligible for the purposes of these Regulations by the AIFC Legal Services Board, one particular class of such individuals being legal advisers or counsel based outside Kazakhstan who spend a limited amount of time in the AIFC for the purposes of, for example, a corporate transaction.

In the AIFC Legal Services Regulations, rules made thereunder and in any other document produced by any Person in connection with the AIFC Legal Services Regulations, the expression "Counsel" may be substituted for "Legal Adviser" if that appears preferable in the context.