



Handbook

# Islamic Banks in the AIFC



# Why AIFC?



World-class Regulation  
and Developed Islamic  
Finance Infrastructure



Independent Judicial  
System



Special Tax Regime



Special Currency Regime



International Stock  
Exchange



Vibrant financial and  
business ecosystem



Special labour and visa  
regime

More Information on  
Advantages of Doing Business  
in the AIFC on the [website](#)

# PROCESS



## Here's How to Get Started

To obtain authorisation and conduct Islamic banking activities in the AIFC, there are two options:

### Option 1

#### Standalone Islamic bank/Islamic Banking Subsidiary

Capital requirements – USD 5 million\*

\*Valid until November 2024.

More information on Regulator's [website](#)

### Option 2

#### Islamic Banking Branch

No capital requirements

# PROCESS

01.

Preparation of the document package and application submission, followed by an initial review and acceptance of documents

02.

Assessment of documents for compliance with criteria and conducting interviews if necessary

03.

**In Principal Approval:** Notification and subsequent fulfillment of requirements, including the capital requirements

04.

Online company registration through the Digital Resident portal

05.

**Authorisation:** Issuance of a license



The application fee is USD 15,000  
The registration fee is USD 300



# Requirements for Islamic Banking and Islamic Banking Branch

## Documents & Systems\*

- Application form for Regulated Activities and Banking Business Supplement form
- Applications for individuals who will carry out Controlled and Designated Functions
- Regulatory business plan (Section 9 of the Application: shareholders and organisational charts, IT systems, human resources, one-year financial projections with key assumptions etc.)
- 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



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



## Documents & Systems (cont.)\*

- Conduct of deposit taking business procedures and documentation
- Process map setting out the credit review and approval process
- Funding strategy
- Internal capital adequacy assessment process
- Employee code of conduct
- Incorporation certificate of parent/head office
- Board minutes approving establishment of the AIFC entity
- Board and management committees' terms of reference
- Regulatory licence of parent company
- Digital debit and credit card issuing, acquiring (POS terminal) and processing infrastructure set-up



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



# Requirements for Islamic Banking and Islamic Banking Branch

## Officers (some roles can be outsourced)

### Controlled Functions:

- Senior Executive Officer/Director
- Finance Officer
- Compliance Officer
- Money Laundering Reporting Officer
- Members of a firm's Board of Directors, who must apply for Controlled Functions of Director

### Designated Function:

- Risk Manager
- Internal Audit Manager

## Shari'ah Supervisory Board (SSB)

- SSB can be in-house, outsourced or from head office
- SSB must consist of at least 3 members



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



# Additional information about Islamic banking license



## Legislation

- AIFC General Rules
- Financial Services Framework Regulation
- AIFC Conduct of Business Rules
- AIFC AML Rules
- Islamic Finance Rules
- Islamic Banking Business Prudential Rules



## Tax Incentives

- Exemption from corporate income tax
- Exemption from value added tax
- More information [here](#)



## Special currency regime

- AIFC participants holding this license are authorised to offer their services to both legal entities and individuals in Kazakhstan in any currency including tenge
- More information [here](#)



## Useful Link

More information on Regulator's [website](#)

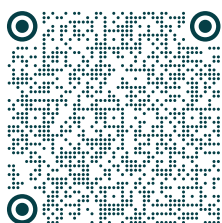


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### Disclaimer

This is only a guide and should be read together with the relevant AIFC legislation as it may not cover all the relevant information in full.

Further advice from a professional may be required.