



**AMENDMENTS No. 10
AIFC FINANCIAL SERVICES FRAMEWORK
REGULATIONS**

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Astana, Kazakhstan



In this document, underlining indicates a new text and strikethrough indicates a removed text.

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(1) These Regulations apply within the jurisdiction of the AIFC.

(2) Without limiting subsection (1), these Regulations apply to any Person who conducts business in or from the AIFC.

6. Meaning of “in or from the AIFC”

(1) A Person will be deemed to be carrying on activities in or from the AIFC for the purposes of these Regulations if:

(a) that Person is a Centre Participant and the day-to-day management of those activities (even if those activities are undertaken in whole or in part from outside the AIFC) is the responsibility of the Centre Participant in its capacity as such; or

(b) that Person’s head office is outside the AIFC but the activity is carried on from a branch maintained by it in the AIFC; or

(c) the activities are conducted in circumstances that are deemed to amount to activities carried on in or from the AIFC under Rules made by the AFSA.

(2) The AFSA may issuemake Rules and give guidance as to the circumstances in which activities capable of having an effect in the AIFC are or are not to be regarded as conducted in or from the AIFC.



7. Main functions, powers and objectives of the AFSA

(...)

(3) In performing its functions and exercising its powers, the AFSA will pursue the following objectives (“the Regulatory Objectives”):

- (a) the regulation, control and supervision of financial activities in the AIFC by Centre Participants with a view to the maintenance of the safety and soundness of the financial system within the AIFC;
- (b) ensuring that financial markets in the AIFC are fair, efficient, transparent and orderly;
- (c) creating fair, transparent and non-discriminatory conditions for Centre Participants;
- (d) fostering and maintaining confidence in the AIFC’s financial system and regulatory regime;
- (e) fostering and maintaining the financial stability of the AIFC’s financial services industry and capital markets, including the reduction of systemic risks;
- (f) preventing, detecting and restraining actions, including Financial Crime, that may cause damage to the reputation of the AIFC or to the financial activities carried out in the AIFC by taking appropriate measures, including by imposing sanctions;
- (g) protecting interests of investors and users of financial services;
- (h) implementing in the AIFC a regulatory regime that complies with international standards in the sphere of regulation of financial services and facilitates the growth of the financial services industry and capital markets in Kazakhstan;
- (i) fostering the development of financial technologies in the AIFC; and
- (j) pursuing such other objectives as may be specified by AIFC’s Regulations from time to time.

(...)

(3-6) In pursuing the objectives referred to in (3), the AFSA may enter into arrangements or instruments (including orders, agreements, or memoranda of understanding, on mutual recognition or cooperation) with other regulators.

(...)

(4) The AFSA may prepare and make available forms for any purpose under these Regulations or Rules made thereunder and may give instructions for their completion.

7-1. Principles of good regulation

In performing its functions and exercising its powers under the Acting Law of the AIFC and these Regulations, the AFSA must have regard to:

- (a) the need to act in accordance with all laws and Regulations to which it is subject;
- (b) the principle that the AFSA should exercise its powers and functions in a fair and transparent manner;
- (c) the need to comply with such generally accepted principles of good governance as it is reasonable to regard as applicable to it;
- (d) the need to use its resources in the most economic and efficient way;
- (e) the need to balance the burdens and restrictions on firms with the benefit of regulation;
- (f) the desirability of facilitating innovation and fostering the international competitiveness of the AIFC;
and
- (g) the desirability of fostering competition between those who are subject to regulation by the AFSA;
- (h) the desirability of sustainable growth; and
- (i) the principle of a Centre Participant’s senior management responsibility for the Centre Participant’s activities and for ensuring its business complies with regulatory requirements.

(...)

8. AFSA power to make Rules AFSA rulemaking powers

(1) Any provision in these Regulations to the effect that The AFSA may make Rules on a particular issue is without prejudice to the general rulemaking power of the AFSA and other Centre Bodies under Article 4(3) of the Constitutional Statute.

(2) The Rules, in such cases or classes of cases as may be prescribed by them, may extend, exclude, waive and/or modify the application of provisions of these Regulations, the Rules or any other legislation administered by the AFSA, with the exception of Part 9 (Enforcement) of these Regulations, if the Board



of Directors of the AFSA considers it necessary or desirable order to facilitate the pursuit of AFSA's the Regulatory Objectives.

(3) The Rules made under this section may enable instruments to carry out their own purposes.

8-1. Power of the AFSA to give Guidance

- (1) The AFSA may, on the application of a Person or on its own initiative, give Guidance consisting of such information and advice as it considers appropriate:
 - (a) with respect to the operation of specified parts of these Regulations, any Regulations and any Rules which the AFSA administers;
 - (b) with respect to any matter relating to functions of the AFSA within its competence;
 - (c) for the purpose of meeting the Regulatory Objectives; and
 - (d) with respect to any matters about which it appears to the AFSA to be desirable to give the relevant information or advice.
- (2) Guidance issued by the AFSA may be given to Persons generally or to a class of Authorised Persons or Ancillary Service Providers.
- (3) Before the AFSA gives Guidance, the AFSA must ensure that the proposed Guidance is made available for public consultation for a period of at least 30 days.
- (4) Before giving the proposed Guidance, the AFSA must consider the submissions made to it about the proposed Guidance during the public consultation period and must make changes to the Guidance that it considers desirable having regard to the submissions.
- (5) The AFSA may give the proposed Guidance without holding public consultation or shorten the public consultation period for the proposed Guidance if satisfied that it is justified in the interests of the AIFC.
- (6) Unless otherwise indicated by the AFSA, Guidance issued by the AFSA is indicative of the view of the AFSA at the time and in the circumstances in which it was given and is non-binding.
- (7) If the AFSA considers it necessary or desirable, it must publish Guidance in a way the AFSA thinks appropriate for bringing Guidance to the attention of:
 - (a) Persons likely to be affected by it; and
 - (b) others who may be likely to become subject to similar guidance.

9. AFSA power to modify, waive or grant relief

(...)

(2) The AFSA must not givemake a direction under (1)(a)paragraph (a) of subsection (1) unless it is satisfied that:

(...)

(2-1) The AFSA mustshall make public by way of guidance the criteria applicable to the making of giving directions under (1)(b) paragraph (b) of subsection (1) after the date of publication of the guidance.

(...)

11. Appeals against decisions of the AFSA, and the AFSA's statutory immunity

(...)

(4) Neither the AFSA nor any Person who is, or is acting as, a director, officer or member of staff of the AFSA mayshall be held liable for anything done or omitted to be done in the performance or purported performance of its functions, or in the exercise or purported exercise of its powers, under these Regulations or any other AIFC Regulations or Rules, unless the act or omission is shown to have been done in bad faith.

20. Definition of Controlled Function

(...)

(2) Controlled Functions prescribed under subsection (1)section 20(1) may include the functions of senior officers or Employees with material responsibility for both or either:

(...)

35. Grant or rejection of application

(...)



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(2) Where the AFSA grants an application for a Licence or variation or withdrawal of a Licence, the AFSA will notify must inform the applicant of:

(...)

(3) Where the AFSA rejects an application for a LicenceAuthorisation or variation or withdrawal of a Licencean Authorisation, the AFSA must promptlywill inform the applicant in writing of such rejectionrefusal and, where requested by the applicant, the reasons for such rejectionrefusal, and of the applicant's right to appeal that decision to the AIFC Court.

(4) If an applicant decides to appeal the AFSA's decision to the AIFC Court, the time for instituting an appeal commences from the date when the rejection was given to an applicant.

38. Grant or rejection of application

(...)

(3) If the AFSA rejects an application under section 36, the AFSA willmust promptly inform the applicant in writing of such rejectionrefusal and, where requested by the applicant, the reasons for such rejectionrefusal, and of the applicant's right to appeal that decision to the AIFC Court.

(4) The AFSA may vary the terms of a Licence granted by it under this section, either on the application of the Authorised Market Institution or onupon its own initiative.

(5) If an applicant decides to appeal the AFSA's decision to the AIFC Court, the time for instituting an appeal commences from the date when the rejection was given to an applicant.

39. Exemption for Authorised Market Institutions

(...)

(3) An Authorised Private E-currency Trading Facility is exempt from the General Prohibition in respect of any Regulated Activity: **[intentionally omitted]**

(a) which is carried on as a part of the Authorised Private E-currency Trading Facility's business as a private E-currency trading facility; or **[intentionally omitted]**

(b) which is carried on for the purposes of, or in connection with, the provision by the Authorised Private E-currency Trading Facility of services designed to facilitate the provision of clearing services by another Person. **[intentionally omitted]**

CHAPTER 3 – Licensing of Ancillary Service Providers

40. Application for a Licence to carry on Ancillary Services

(1) A Person may apply to the AFSA for a LicenceLicense permitting a Centre Participant to carry on one or more Ancillary Services.

(2) An Ancillary Service Provider may apply to the AFSA to extend, vary, or withdraw its Licence to carry on Ancillary Services.

(2-1) The applicant for a Licence or its variation or withdrawal may withdraw its application by giving the AFSA notice at any time before the AFSA issues, varies or withdraws the Licence or rejects the application.

(...)

40-1. Grant or rejection of application

(1) The AFSA may:

(a) grant an application under section 40, either without conditions, restrictions or requirements or with such conditions, restrictions or requirements as it considers appropriate; or

(b) reject the application.

(2) If the AFSA grants an application under section 40, the AFSA must inform the applicant in writing of:

(a) such decision;

(b) the date on which the Licence will be deemed to take effect;

(c) the Ancillary Service or Ancillary Services that the applicant is authorised to carry on; and

(d) any conditions and restrictions applicable to the Licence.

(3) Where the AFSA rejects an application under section 40, the AFSA must promptly inform the applicant in writing of such rejection and, where requested by the applicant, the reasons for such rejection, and of the applicant's right to appeal that decision to the AIFC Court.



(4) The AFSA may vary the terms of a Licence granted by it, either on the application of the Ancillary Service Provider or on its own initiative.

(5) If an applicant decides to appeal the AFSA's decision to the AIFC Court, the time for instituting an appeal commences from the date when the rejection was given to an applicant.

41. Criteria for the grant of a Licence to carry on Ancillary Services

(1) The AFSA may only grant a Licence permitting a Centre Participant to carry on one or more Ancillary Services if it is satisfied that the Centre Participant is fit and proper.

(2) The AFSA may prescribe by Rules:

(a) the Centre Participants or class of Centre Participants who may be permitted to carry on Ancillary Services;

(b) the requirements for the grant of such a Licence; and

(c) the circumstances in which the AFSA may withdraw revoke such a Licence.

44. Grant or rejection of application

(1) The AFSA may:

(a) grant or vary an approval under section 42 either without conditions, restrictions or requirements or with such conditions, restrictions or requirements as it considers appropriate; or

(b) reject the application.

(...)

(3) Where ~~if~~ the AFSA rejects an application for approval or variation of an approval under section 42, the AFSA ~~will~~ must promptly inform the Authorised Person in writing of such ~~refusal~~ rejection and, where requested by the Authorised Person, the reasons for such ~~refusal~~ rejection, and of the Authorised Person's right to appeal that decision to the AIFC Court.

(4) If an applicant decides to appeal the AFSA's decision to the AIFC Court, the time for instituting an appeal commences from the date when the rejection was given to an applicant.

45. Residency requirement for Authorised Approved Individual

~~If the~~ The AFSA considers it appropriate, it may require an Authorised Person to ensure that a particular Controlled Function is carried on by an Authorised Approved Individual who is resident in the Republic of Kazakhstan.

45-1. Suspending or withdrawing Approved Individual status

(1) If the AFSA reasonably concludes that:

(a) an Approved Individual is in breach of, or has been in breach of, an obligation that applies as a result of such individual's Approved Individual status; or

(b) an individual is no longer fit and proper to perform the role of an Approved Individual within the Authorised Person;

it may either restrict the individual from carrying on a Controlled Function or suspend or withdraw the individual's Approved Individual status.

(2) The AFSA may withdraw an individual's Approved Individual status if:

(a) the individual becomes bankrupt;

(b) the individual is convicted of a serious criminal offence;

(c) the individual becomes incapable (through mental or physical incapacity) of managing the relevant affairs;

(d) the individual or the relevant Authorised Person requests the AFSA to withdraw the relevant status;
or

(e) the Licence of the relevant Authorised Person is withdrawn.

(3) If the AFSA:

(a) conducts an investigation under section 114; and

(b) in the course of such investigation believes on reasonable grounds that an individual has engaged in serious misconduct that may form grounds for the withdrawal of the individual's Approved Individual status;

it may suspend the individual's Approved Individual status for the duration of the investigation or related proceedings insofar as such investigation or proceedings relate to the individual.



- (4) An individual commits a contravention if the individual carries on a Controlled Function:
(a) in breach of a provision of these Regulations or Rules made thereunder or other legislation administered by the AFSA that applies to that individual;
(b) contrary to a restriction imposed under subsection (1); or
(c) after the individual's Approved Individual status has been suspended or withdrawn under subsections (1), (2) or (3).
(5) The AFSA may vary or withdraw a restriction or suspension imposed under this section if it is reasonable to do so.
(6) The AFSA may act under subsection (5) on its own initiative or at the request of the individual or Authorised Person.
(7) The decision-making procedures in Schedule 1 apply to a decision made by the AFSA under this section.

49. Rules governing cControllers

The AFSA may make Rules in connection with the change of control of Authorised Persons incorporated in the AIFC, including Rules as to:

- (a) when a Person becomes or ceases to be a Controller of an Authorised Person;
- (b) when the acquisition or increase in the level of control of an Authorised Person requires either the prior approval of, or notification to, the AFSA;
- (c) when the AFSA is likely object to an existing Controller;
- (d) the procedures relating to the approval, notification and objections referred to in paragraphs (b) and (c) section 49(b) and 49(c); and
- (e) any other matter necessary or incidental to give effect to the provisions governing cControllers.

50. Powers of the AFSA in respect of Controllers

- (1) Without limiting the generality of the AFSA powers, the AFSA may:
- (a) approve or object to a Person becoming a Controller of an Authorised Person incorporated in the AIFC;
 - (b) approve or object to an increase in the level of control of an existing cController of an Authorised Person incorporated in the AIFC;
 - (c) object to an existing cController of an Authorised Person incorporated in the AIFC if it has reasonable grounds to believe that such a Person is no longer an acceptable cController; and
 - (d) approve a Person as a Controller or approve an increase of control by an existing Controller subject to such conditions as it considers appropriate.
- (...)

57. AFSA power to impose requirements on an Authorised Market Institution

Without limiting the powers available to the AFSA under Part 8 (Supervision of Authorised Persons), the AFSA may direct an Authorised Market Institution to do or not do specified things that the AFSA considers are necessary or desirable or to ensure the integrity of the AIFC financial markets, including directions:

- (a) requiring compliance with any duty, requirement, prohibition, obligation or responsibility applicable to an Authorised Market Institution; or
- (b) requiring an Authorised Market Institution to act in a specified manner in relation to a transaction conducted on or through the facilities operated by an Authorised Market Institution, or in relation to a specified class of transactions; or
- (c) requiring an Authorised Market Institution to act in a specified manner or to exercise its powers under any rules that the Authorised Market Institution has made; or
- (d) excluding the application of any requirements for engaging in the activity of Operating a Private E-currency Business imposed by the Rules; or ***[intentionally omitted]***
- (e) imposing on an Authorised Person engaged in the activity of Operating a Private E-currency Business any additional requirements that the AFSA considers appropriate. ***[intentionally omitted]***

68. Suspending and delisting Securities or Units in a Listed Fund from an Official List

(...)

- (3) The AFSA may revoke withdraw a direction given made under subsection 68(2) at any time.



(...)

71. AFSA power to authorise approve omission of information

The AFSA may approve authorise the omission from the Prospectus, or constituent parts thereof, of certain information to be included therein, where if it considers that any of the following conditions is met:

- (a) disclosure of such information would be contrary to the public interest;
- (b) disclosure of such information would be seriously detrimental to the Issuer or to the guarantor, if any, provided that the omission of such information would not be likely to mislead the public with regard to facts and circumstances essential for an informed assessment of the Issuer or guarantor, if any, and of the rights attached to the Securities to which the prospectus relates;
- (c) such information is of minor importance in relation to admission to trading on an Authorised Investment Exchange and would not influence the assessment of the financial position and prospects of the Issuer or guarantor, if any.

77. Defence of reasonable reliance on information given by another Person

(1) A Person does not commit a contravention of section 75(1) if the Person proves that he placed reasonable reliance was placed by the person on information given to him by:

- (a) if the Person is not a natural person, someone other than a member of the Governing Body, or Employee or agent representative of the Person; or
- (b) if the Person is a natural person, someone other than an Employee or agent representative of the natural person.

(2) For the purposes of this Part, a Person is not the agent representative of another Person merely because he the Person performs a particular professional or advisory function for the that other Person.

78. Statements about future matters

(1) A Person is taken to make a misleading or deceptive statement about a future matter whether by himself or through his representative, if he, at the time of making the statement or causing the statement to be made, did not have reasonable grounds for making the statement or causing the statement to be made.

(...)

84. Financial reports

The AFSA may prescribe by Rules:

- (a) financial reports to be filed by a Reporting Entity; and
- (b) audit requirements to be observed by a Reporting Entity.

CHAPTER 8 – Prevention of Market Abuse

86. Market Abuse

A Person must not:

(...)

(d) effect, or participate in effecting, transactions or orders to trade (otherwise than for legitimate reasons in conformity with accepted market practice on the relevant market) which:

- (i) give, or are likely to give a false or misleading impression as to the supply of, or demand for, or as to the price or value of, one or more Investments; or
- (ii) secure the price of one or more Investments at an abnormal or artificial level; or

(...)

CHAPTER 10 – Recognition

89. Recognition of Non-AIFC Market Institutions

(...)

(3) The AFSA may make an order referred to in subsection (1) if, having regard to the law and practice of the country or territory in which the applicant's head office is situated and to the rules and practice of the applicant, it appears to the AFSA that the following requirements are met:



(a) investors are afforded protection equivalent to that which they would be afforded if the body concerned were required to comply with the relevant requirements for the licensing of an Authorised Market Institution in Chapter 2 of Part 3;

(...)

91. Recognised Non-AIFC Member

(...)

(3) The AFSA may make an order referred to in subsection (1) if, the applicant satisfies the AFSA that the following requirements are met:

(a) the applicant is licensed or otherwise authorised to trade on or use the facilities of an exchange or clearing house in a jurisdiction acceptable to the AFSA;

(b) the applicant is regulated in respect of trading in such jurisdiction by a regulator to a standard satisfactory to the AFSA;

(c) the law and practice under which the applicant is licensed or otherwise authorised is broadly equivalent to the AFSA's regulatory regime as it applies to a Member;

(d) when using the facilities of an Authorised Investment Exchange, or Authorised Clearing House, MTF Operator, OTF Operator, or Digital Asset Trading Facility Operator the applicant does not exceed the scope of the activities it is authorised to carry on by those responsible for the supervision of the applicant in the country or territory in which the applicant's head office is situated;

(e) the applicant has agreed to cooperate with the AFSA and subject itself to such parts of the legal and regulatory framework administered by the AFSA as the AFSA may require.

(...)

94. Power to givemake directions in respect of Collective Investment Schemes

(...)

PART 8: SUPERVISION OF AUTHORISED PERSONS

CHAPTER 1 – Supervisory powers of the AFSA

95. Exercise of supervisory powers by the AFSA

(...)

(3) Where if the AIFC has exercised one or more of the powers set out in this Chapter it may, where if it considers it necessary or desirable to do so in accordance with itsthe Regulatory Objectives:

(a) withdraw a prohibition, restriction, or requirement, or decision to exercise any of its supervisory powers; or

(b) substitute or vary an existing prohibition, restriction, or requirement, or decision to exercise any of its supervisory powers.

(...)

96. Power to gather information

(1) The AFSA may, by notice in writing, require an Authorised Person, Ancillary Service Provider, Approved Individual, Designated Individual or any other Director, Employee or representative agent of an Authorised Person or Ancillary Service Provider to:

(...)

(2) The AFSA may require an Authorised Person or Ancillary Service Provider to allow the AFSA to enter its premises during normal business hours or at any other time as may be agreed for the purpose of inspecting and copying information or documents stored in any form on such premises, as it considers necessary or desirable to meet the Regulatory Objectives of the AFSA.

97. Power to require a production of a report

(1) The AFSA may, by notice in writing, require an Authorised Person, or Ancillary Service Provider to provide the AFSA with a report on any matter as the AFSA considers necessary or desirable to meet the Regulatory Objectivesobjectives of the AFSA.

(2) The Person appointed to make a report required by section 97(1) must be a Person nominated or approved by the AFSA.



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- (3) Where if a requirement has been made of an Authorised Person or Ancillary Service Provider under this section, the Authorised Person or Ancillary Service Provider must take all reasonable steps to ensure that:
- (a) any Person who is providing or has provided services to the Authorised Person or Ancillary Service Provider must provide all such assistance as the appointed Person may reasonably require; and
 - (b) the appointed Person co-operates with the AFSA.
- (4) The obligation in subsection (1) is enforceable on application by the AFSA to the AIFC Court.
- (5) The costs of providing a report under section 97(1) will be borne must be paid by the Authorised Person, or Ancillary Service Provider to whom a notice has been given under subsection (1).
- (...)

98. Power to restrict, withdraw or suspend a Licence

(1) The AFSA may:

- (a) impose or vary such conditions, restrictions and requirements on a Licence as the AFSA considers appropriate; or
- (b) withdraw an Authorised Person's Licence or vary its Licence to remove one or more Regulated Activities or Market Activities; or
- (ba) withdraw an Ancillary Service Provider's Licence or vary its Licence to remove one or more Ancillary Services; or
- (c) suspend an Authorised Person's Licence in relation to one or more Regulated Activities or Market Activities; or
- (d) suspend an Ancillary Service Provider's Licence in relation to one or more Ancillary Services.

(2) The decision-making procedures in Schedule 1 apply to a decision made by the AFSA under this section.

99. Power to impose a prohibition

(1) The AFSA may prohibit an Authorised Person or Ancillary Service Provider from:

- (a) entering into certain specified transactions or types of transactions; or
- (b) soliciting business from certain specified Persons or types of Persons; or
- (c) carrying on business in a specified manner or other than in a specified manner; or
- (d) using a particular name or description in respect of the Authorised Person or Ancillary Service Provider; or
- (e) dealing with any relevant property in a specified manner or other than in a specified manner; or
- (f) assisting, counselling or procuring another Person to deal with any relevant property in a specified manner or other than in a specified manner.

(2) The decision-making procedures in Schedule 1 apply to a decision made by the AFSA under this section.

99-1. Power to give directions for prudential purposes and capital requirements

(1) For prudential purposes and capital requirements, the AFSA may direct an Authorised Person or Authorised Persons within a specified class to, among others:

- (a) comply with any specified additional capital or liquidity requirements;
- (b) apply a specific provisioning policy or treatment of specified assets;
- (c) comply with specified limits on material risk exposures;
- (d) comply with specified limits on exposures to related parties;
- (e) meet additional or more frequent reporting requirements; or
- (f) take such other action as is specified in the direction.

(2) The AFSA may direct an Affiliate of an Authorised Person to take specified actions or not to carry on specified activities if the AFSA:

- (a) is the consolidated supervisor of the Group to which the Authorised Person belongs; and
- (b) is satisfied that the direction is necessary or desirable for the purposes of the effective prudential supervision of the Group on a consolidated basis.

(3) A direction to an Affiliate under subsection (2) may include a requirement that the Affiliate:

- (a) limit any activities it carries on or may carry on (including closing any office which is outside the jurisdiction in which it has its principal place of business and head office) if the activities are



- reasonably likely to expose the Authorised Person or its Group to excessive risks or risks that are not properly managed; or
- (b) take such other measures as are necessary to remove any impediments to effective supervision of the Group on a consolidated basis, including a direction to take steps to restructure the Group.
 - (4) Nothing in this section limits the scope or application of any other power that the AFSA may have in these Regulations, any Rules or Regulations or legislation administered by it.
 - (5) A direction given under this section comes into force on the date specified in it and remains in force, subject to subsection (7), until it is revoked or varied in writing by the AFSA under subsection (6).
 - (6) The AFSA may revoke or vary any direction given pursuant to this section.
 - (7) A direction given to Authorised Persons within a specified class under subsection (1), including any variation made to such a direction under subsection (6), may not remain in force for a period longer than 12 months from the date specified in the initial direction given under subsection (1).
 - (8) The decision-making procedures in Schedule 1 apply to a decision made by the AFSA under this decision.

100. Power to impose a requirement

- (1) The AFSA may require an Authorised Person or Ancillary Service Provider to:
- (a) take or refrain from taking such action as the AFSA considers appropriate;
 - (b) carry on business in, and only in, a specified manner;
 - (c) deal with any relevant property in a specified manner;
 - (d) deal with any relevant property such that:
 - (i) the property remains of a value and in a condition that appears to the AFSA to be desirable with a view to ensuring that the Authorised Person or Ancillary Service Provider will be able to meet its liabilities in relation to the business which constitutes a Regulated Activity or Ancillary Service for which it holds a Licence; and
 - (ii) the Authorised Person or Ancillary Service Provider is able at any time to transfer or dispose or otherwise deal with the property when instructed to do so by the AFSA.
- (...)
- (3) The decision-making procedures in Schedule 1 apply to a decision made by the AFSA under this section.

CHAPTER 2 – Obligations of Authorised Persons and Ancillary Service Providers

102. Obligation of disclosure to the AFSA

- (1) Subject to subsection (2), an Authorised Person or Ancillary Service Provider must disclose to the AFSA anything which reasonably tends to show:
- (a) a breach, or likely breach of a provision of legislation administered by the AFSA; or
 - (b) a failure, or likely failure, to comply with any obligation to which an Authorised Person or Ancillary Service Provider is subject under such legislation; or
 - (c) any other matter as the AFSA may prescribe in Rules;
- which may be attributable to the conduct of the Authorised Person or Ancillary Service Provider or its Directors, officers, Employees or representatives.
- (...)
- (3) An Authorised Person or an Ancillary Services Provider must establish and implement appropriate systems and internal procedures to enable its compliance with subsection (1).
- (4) Any provision in an agreement between an Authorised Person, Ancillary Service Provider and a Director, officer, Employee, representative agent or auditor thereof is void in so far as it purports to hinder compliance with an obligation under section 102(1).
- (5) No Person may be subjected to detriment or loss or damage merely by reason of undertaking any act to cause or assist an Authorised Person or Ancillary Service Provider to comply with an obligation under subsection 102(1).
- (...)

103. Obligation to comply with an order or requirement of the AFSA



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Where if the AFSA makes an order, issues gives a direction or prohibition, or makes any requirement in relation to an Authorised Person or Ancillary Service Provider pursuant to a provision of this Law these Regulations or Rules made thereunder or other legislation administered by the AFSA, such Authorised Person or Ancillary Service Provider must, unless he has a reasonable excuse, comply with such order, direction, prohibition or requirement.

104. Provision of information to the AFSA

(1) An Authorised Person or Ancillary Service Provider must not:

(...)

(2) An Ancillary Service Provider must provide to the AFSA, on an annual basis, an activity report using the appropriate form specified by the AFSA.

105. Obstruction of the AFSA

An Authorised Person or Ancillary Service Provider must not engage in conduct that is intended to obstruct the AFSA in the exercise of any powers under this Part or Part 9 (Enforcement), including without limitation the:

(...)

106. No liability for provision of information or documents to the AFSA

An Authorised Person, an Ancillary Service Provider, an Approved Individual, a Designated Individual or any other Employee or Director of an Authorised Person or an Ancillary Service Provider is neither liable to a proceeding, nor subject to a liability, nor in breach of any duty, merely by reason of:

(...)

107. Self-incrimination

(...)

(c) answer questions;

pursuant to any requirement under either this Part 8 (Supervision of Authorised Persons) or 09 (Enforcement) on the grounds that any such information, or document or answer, as the case may be:

(d) might tend to incriminate the Person or make the Person liable to a penalty; or

(e) is, or contains, or might reveal a Privileged Communication; or

(f) is, or contains, or might reveal a communication made in confidence.

(...)

109. Requirement to appoint an Auditor

(1) An Authorised Person must appoint an Auditor.

(2) The AFSA may direct, or the AIFC Court on an application made by the AFSA may order, an Authorised Person to:

(a) appoint an Auditor, if an Auditor has not been appointed by the Authorised Person; or

(b) remove an Auditor and appoint a new Auditor, if in the opinion of the AFSA or the AIFC Court the Auditor appointed by the Authorised Person is not suitable to provide Audit Services.

(3) The decision-making procedures in Schedule 1 apply to a decision made by the AFSA under this section.

111. Relevant Transfer

The AFSA may provide by Rules that the transfer of the business of carrying on specified Regulated Activities by an Authorised Firm (a "Relevant Transfer") either:

(a) may only be made by an order of the AIFC Court under section 1130; or

(b) may be made by such an order if the transferor elects.

113. Powers of the Court in relation to a transfer scheme

(1) The AIFC Court may make an order under this section approvingsanctioning a Relevant Transfer if:

(a) any directions madegiven by the ASFA pursuant to section 112(2) have been complied with;

(...)



116. Powers to Obtain Information and Documents for Investigation

(1) Where if the AFSA considers that a Person is or may be able to give information or produce a document which is or may be relevant to an investigation, it may:

(a) enter the business premises of such Person during normal business hours for the purpose of inspecting and copying information or documents stored in any form on such premises;

(b) require such Person, by written notice, to

(i) give, or procure the giving of, specified information in such form as it may reasonably require; or

(ii) produce, or procure the production of, specified documents; or

(iii) to attend before an officer, or Employee or agent of the AFSA at a specified time and place to answer questions in private (compulsory interview); or

(iv) give it any assistance in relation to the investigation which the Person is able to give.

(...)

(5) The AFSA may exercise its powers under subsection 116(1) in respect of any Person within, or outside of, the AIFC provided that, if the Person is outside the AIFC and is not an Authorised Person, Ancillary Service Provider, Approved Individual, Designated Individual, or Director of an Authorised Person or Ancillary Service Provider, the AFSA will must either:

(...)

118. Sanctions for contraventions

(1) If the AFSA considers that a Person has committed a Contravention, it may:

(a) fine the Person such amount as it considers appropriate in respect of the contravention; and/or

(b) censure the Person in respect of the contravention; and/or

(c) makegive a direction requiring the Person to effect restitution or compensate any other Person in respect of the contravention within such period and on such terms as the AFSA may direct; and/or

(d) makegive a direction requiring the Person to account for, in such form and on such terms as the AFSA may direct, such amounts as the AFSA determines to be profits or unjust enrichment arising from the contravention; and/or

(e) makegive a direction requiring the Person to cease and desist from such activity constituting or connected to the contravention as the AFSA may directstipulate; and/or

(f) makegive a direction requiring the Person to do an act or thing to remedy the contravention or matters arising from the contravention; and/or

(g) makegive a direction restricting or prohibiting the Person from holding office in or being an Director or Employee of any Authorised Person or Ancillary Service Provider.

(2) Nothing in this section prevents the AFSA from exercising any other power that it may exercise under any legislation administered by it.

(3) The decision-making procedures in Schedule 1 apply to a decision made by the AFSA under this section.

123. Compulsory Winding up

(1) The AFSA may present a petition to the AIFC Court for the winding up of an Authorised Person or Ancillary Service Provider.

(2) On such a petition, the AIFC Court may wind up the Authorised Person or Ancillary Service Provider if it is of the opinion that it is just and equitable that it the Authorised Person or Ancillary Service Provider should be wound up.

125. Injunction – investigations and proceedings

(...)

(g) in the event that if the relevant Person is a natural pPerson

(i) an order appointing a receiver or trustee, having such powers as the AIFC Court may see fit, of the property or any of the property of the relevant Person; (ii) an order requiring him to deliver up to the AIFC Court his passport and such other documents as the AIFC Court sees fit; or

(iii) an order prohibiting him from leaving the Republic of Kazakhstan without the consent of the AIFC Court;



(g) in the event that if the relevant Person is a Body Corporate, an order appointing a receiver or receiver and manager, having such powers as the AIFC Court may see fit, of the property or any of the property of the relevant Person.

(...)

130-1. Procedural irregularities

(1) A procedure under these Regulations or any other Rules or Regulations is not invalidated because of any procedural irregularity unless the AIFC Court declares the procedure to be invalid.

(2) For the purposes of this section:

(a) procedure includes the making of a decision, the conduct of a hearing, the giving of the relevant notice, and any proceedings (legal or otherwise); and

(b) procedural irregularity includes a defect, irregularity or deficiency of notice or time.

PART 10: CONFIDENTIALITY

131. Confidential information

(1) For the purposes of these Regulations, information is confidential if it is received by the AFSA or an officer, Employee, or delegate or agent of the AFSA in the exercise of a function under these Regulations or any other AIFC Regulations or Rules.

(...)

132. General prohibition on disclosure

(1) Subject to subsection (2), confidential information must not be disclosed to a third party by the AFSA or by an officer, Employee, or delegate or agent of the AFSA, or by any Person coming into possession of the information, without the consent of the Person to whom the duty of confidentiality is owed.

(2) The AFSA may disclose confidential information where if such disclosure:

(a) is permitted or required under these Regulations or under any other AIFC Regulations or Rules;

(b) is made to any of the authorities listed in CO-OP for the purpose of assisting the exercise by any such authority of its regulatory functions; or

(c) is made in good faith for the purposes of the exercise of the functions and powers of the AFSA.

(3) A Contravention in bad faith of subsection (1) by an officer, Employee, delegate or agent of the AFSA, or by any other Person coming into possession of the information shall be is punishable by a fine of such amount as it considers appropriate in respect of the Contravention up to a maximum fine of \$10,000 and/or disciplinary proceedings. The AFSA may seek injunctive relief where if appropriate.

(4) The AFSA may make Rules for the purpose of ensuring the confidentiality of information received in the exercise of a regulatory function.

132-1. Prohibition on disclosure for Person

A Person who receives from the AFSA notice, decision, direction, order, request or warning, which is marked as confidential, must not disclose the existence and content of such notice, decision, direction, order, request or warning to any third party except for obtaining necessary professional advice in relation to the Person's rights and obligations.

PART 11: CO-OPERATION AND EXCHANGE OF INFORMATION

133. Regulatory co-operation

(...)

(2) The AFSA must shall implement policies and procedures to ensure that it:

(...)

PART 13: Miscellaneous

157. Public Registers

(1) The AFSA must publish and maintain, in such manner as it considers appropriate, a register of current and past grants, withdrawals and suspensions of Licences of all Authorised Persons and Ancillary Service Providers, and particulars of the status of Recognised Non-AIFC Market Institutions, Recognised Non-



AIFC FINANCIAL SERVICES FRAMEWORK REGULATIONS

AIFC Members, Foreign Fund Managers, Approved Individuals, Designated Individuals, and Principal Representatives.

(2) The AFSA may publish and maintain, in such manner as it considers appropriate, registers of:

(a) all Persons in relation to whom action has been taken under section 45-1(1); and

(b) all Persons who have been prohibited under section 118(1)(g) from holding office or being a Director or Employee of any Authorised Person or Ancillary Service Provider,

indicating whether or not any such action or prohibition is in effect.

(3) The AFSA may decide not to publish information about a suspension imposed under section 45-1(3).

(4) The AFSA must make a reasonably current version of each register kept under subsections (1) and (3) freely available for viewing by the public during the normal business hours of the AFSA.

158. Extended powers

(1) Any power which the AFSA may exercise in relation to an Authorised Person, Ancillary Service Provider, Approved Individual, Designated Individual or any Director, officer, Employee or representative of an Authorised Person, Ancillary Service Provider, or Registered Auditor under these Regulations or any other Rules or other legislation administered by the AFSA may, subject to subsections (2) and (3), continue to be exercised after the date on which:

(a) the Licence of such Authorised Person or Ancillary Service Provider; or

(b) the Approved Individual or Designated Individual status of such individual;

is withdrawn by the AFSA under these Regulations or any other Rules or other legislation administered by the AFSA.

(2) Except as provided in subsection (3), the AFSA may only exercise a power under subsection (1) in relation to a Person within three years after the day on which the AFSA became aware of the act or omission that gave rise to the right to exercise the power in respect of that Person.

(3) If proceedings with respect to the act or omission are commenced by the AFSA within the period referred to in subsection (2), then the provisions of subsection (1) remain in force until such time as the proceedings and any review or appeal relating to the proceedings are completed.

(4) For the purposes of this section, the AFSA is aware of an act or omission if it has information from which the act or omission can reasonably be inferred.

(5) The decision-making procedures in Schedule 1 apply to a decision made by the AFSA under this section.

159. Publication by the AFSA

(1) The AFSA may publish in such form and manner as it considers appropriate information and statements relating to decisions of the AFSA, sanctions, and any other matters which the AFSA considers relevant to the conduct of affairs in the AIFC.

(2) Subject to any directions given by the AIFC Court, the AFSA may publish statements regarding any matters considered by the AIFC Court involving the AFSA.

SCHEDULE 1: Decision-making procedures of the AFSA

(...)

2. Application of Schedule

This Schedule applies to the AFSA, subject to paragraph 3, where if a provision in of these Regulations or of Rules specifically provides for the application of this Schedule in the relevant sections and where the AFSA is required or enabled to make a decision.

3. Decisions to which procedures do not apply

(1) The procedures in this Schedule (other than sub-paragraph (2) of this paragraph) do not apply to a decision by the AFSA:

(a) to revoke withdraw a direction, or withdraw a requirement, restriction or prohibition; or

(b) to withdraw a condition or restriction imposed in relation to a Licence, registration, authorisation or approval; or

(c) in relation to a Person, if the Person has requested, or consented in writing to, the making of the decision.; or

(d) to give make, revoke and/or vary a direction under section 9.



4. Opportunity to make representations before a decision

(1) If the AFSA proposes to make a decision to which this Schedule applies, it must first give the Relevant Person:

- (a) a written notice (a "Preliminary Notice") containing the information in sub-paragraph (2); and
- (b) an opportunity to make representations to the AFSA in Person and in writing concerning the decision the AFSA proposes to take.

(...)

6. Opportunity to make representations after a decision

(1) If this paragraph applies under paragraph 4(7), the AFSA must:

- (a) provide the Relevant Person with an opportunity to make representations to the AFSA in Person and in writing within a period of 14 days, or such further period as may be agreed, from the date on which the Decision Notice is given to the Person under paragraph 5; and

(...)

7. Third party rights

(1) If any of the reasons contained in a Decision Notice relate to a matter which:

(a) identifies a Person (a "Third Party") other than the Person to whom the Decision Notice is given; and

(b) in the opinion of the AFSA, is prejudicial to the Third Party,

the AFSA must give a notice or a copy of the Decision Notice, or extracts of its relevant parts, to the Third Party.

(2) The notice copied to the Third Party must specify a reasonable period within which the party may make representations to the AFSA.

(3) A copy of the notice is not required to be given to a Third Party if the AFSA considers it impractical to do so.

(4) The Third Party may refer to the AIFC Court:

(a) the decision in question or any aspect of the decision, so far as it relates to the party; or

(b) any opinion expressed by the AFSA in relation to the party.

(5) The copy of the Decision Notice must advise the Third Party's right to make a reference to the AIFC Court.

(6) If the Third Party refers the matter to the AIFC Court, the Third Party may apply to the AIFC Court to stay the action specified in the Decision Notice.

(7) The Third Party must be given a copy of any discontinuance applicable to the proceedings to which the Decision Notice relates.

SCHEDULE 2: Appeal to the AIFC Court

1. Time frame for instituting an appeal

(1) An appeal under section 11 may be instituted:

(a) within a period of 28 days after immediately following the date of the decision, including by way of a the Decision Notice, given to the Person issued by the AFSA, and

(b) by serving a Claim Form on the AFSA, in accordance with the service provisions of the AIFC Court Rules, stating the grounds and material facts on which the appellant relies.

(2) An appeal does not operate as a stay of the decision being appealed.