**Application for a Licence to carry on Regulated Activities** (**limited to ‘Managing a Collective Investment Scheme’, ‘Providing Fund Administration’, ‘Advising on Investments’, ‘Arranging Deals in Investments’**)

This form must be submitted by applicants applying for a Licence[[1]](#footnote-2) to carry on the Regulated Activities of ‘Managing a Collective Investment Scheme’, ‘Providing Fund Administration’, ‘Advising on Investments’, ‘Arranging Deals in Investments’ only, as defined in the AIFC General Rules, unless the Regulated Activity you[[2]](#footnote-3) propose to carry on is limited to Operating a Representative office[[3]](#footnote-4) or any other Regulated Activity outside the four mentioned above.

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| **Notes for completing this form** |

We occasionally refer to various Rules, sections, or chapters which make up the AIFC Regulations and Rules. However, these references are provided only as a guide and are not an exhaustive list of the Rules that may be applicable to your situation. It is your responsibility to research any Rules that might be pertinent to your application.

Do not leave any response-cells empty[[4]](#footnote-5). If a question we ask does not pertain to your intended Regulated Activities respond to that effect in the cell. If it is more appropriate to answer certain questions in an attachment then indicate in the cell that this is the case. If you are confident that you have answered a particular question in another form or attachment then make an unequivocal reference to that response.

As a matter of good practice, and to avoid any confusion, words and terms that are defined in AIFC Glossary should have their first letter in upper-case.

Ensure that that you are using the latest version of this application form. AFSA will only accept out-of-date forms if they are submitted within one month of the latest version available on our website.

You are advised to retain a copy of the form and all relevant attachments for the records.

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| 1. **Declaration by the applicant** |

* 1. I declare that, to the best of my knowledge and belief, having made due inquiry, the information given in this form, the supplements and documents attached, as well as any applicable supporting documents, is complete and correct. I understand that it may be a breach of Article 119(e) of the AIFC Framework Regulations to provide to the AFSA any information which is deceptive, misleading or dishonest.
  2. I understand that the Authorised Person shall comply with, and be bound by, the AIFC Rules and Regulations. I also acknowledge that it is sole responsibility of the Authorised Person to monitor the amendments introduced to the Rules and Regulations published on the official website of the AFSA.
  3. I declare my understanding that the AFSA may request more detailed information (including but not limited to, personal educational, employment and financial information) should it be deemed necessary to adequately assess the fitness and propriety of the firm or any person connected to the firm. I consent to the AFSA contacting any previous employers, educational institutions, professional organisations or any other organisation, to verify any information contained in this form.
  4. I confirm that I have the authority to make this application, to declare as specified above and sign this form for, or on behalf of, the applicant. I also confirm that I have authority to give the consent specified above.
  5. I understand that any personal data provided to the AFSA will be used to discharge its regulatory functions under the AIFC Data Protection Regulations, and other relevant legislation and may be disclosed to third parties for those purposes.
  6. I confirm that all documents submitted as part of this application, whether physical or electronic, become property of the AFSA.

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| Signature of Director/Partner of the applicant[[5]](#footnote-6) | Date |

|  |
| --- |
| Enter the name and position or title of the above signed Director/Partner of the applicant: |
|  |

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| 1. **Contact details of the applicant** |

* 1. Provide the following contact details for the individual from the applicant who is the principal for this application:[[6]](#footnote-7)

|  |  |
| --- | --- |
| Name: |  |
| Designation: |  |
| Contact number: |  |
| E-mail address: |  |

* 1. Provide the name, scope of services and contact details of any professional adviser(s) that may be assisting the applicant[[7]](#footnote-8) with this application.

|  |  |
| --- | --- |
| Name: |  |
| Designation: |  |
| Precise scope of the service(s) being provided: |  |
| Contact number: |  |
| E-mail address: |  |

* 1. Would you like us to copy in your adviser identified above on any correspondence?

Yes 󠄀  No

* 1. What is, or will be, the website address of your new entity? Also, what is the website address of your head office or main shareholding firm?

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| 1. **Information about the applicant** |

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|  | If the applicant is a Branch of a non-AIFC incorporated entity[[8]](#footnote-9) provide the following details about the non-AIFC firm: | |
| Full legal name: |  |
| Date of incorporation: |  |
| Country of incorporation: |  |
|  | If the applicant is not applying as a Branch provide the following details: | |
| Full legal name (if already incorporated in the AIFC) or proposed name of the applicant: |  |
| Proposed legal form of the applicant[[9]](#footnote-10): |  |
| The registered or proposed busi­ness address of the applicant (if known): |  |
|  | The AFSA considers a “start-up” to be either:   * + *A newly formed financial services firm that is not part of a Group and which, by definition, will not have been subject to financial regulation; or*   + *A firm that is part of a Group and none of the entities within the Group have been subject to financial services regulation in a jurisdiction that has similar and comparable Rules to the AFSA.* | |
| In respect to this definition is the applicant a start-up?[[10]](#footnote-11) |  |
|  | If you are not a start‐up applicant, as per section 3.3 above, please provide contact details of the regulator(s)[[11]](#footnote-12) responsible for the authorisation and ongoing supervision of regulated Group entities, including: | |
| Name of regulatory authority: |  |
| Jurisdiction or country: |  |
| Postal address: |  |
| Details of the licence held: |  |
| Date of licensing: |  |
| Name of on-going supervisor: |  |
| His/her designation: |  |
| His/her contact number: |  |
| His/her e-mail address: |  |
|  | Has the regulatory authority named in section 3.4 been notified of your firm’s intention to seek a Licence in the AIFC? |  |
|  | If your AIFC firm is going to be a Branch, what is the address of your head office? Or, if it is going to be a Subsidiary, what is the address of the largest shareholder? |  |
|  | Will the applicant be conducting Islamic Finance Business? |  |
|  | Are there any existing entities in the AIFC to which the applicant is related? If so, please provide full details. |  |
|  | List any applications being made for waivers or modifications of AIFC Rules:[[12]](#footnote-13) |  |
|  | What is or will be the applicant’s financial year-end (day and month)?[[13]](#footnote-14) |  |
|  | What will be the trading name of the Applicant (if different from legal name)?[[14]](#footnote-15) |  |

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| 1. **Details about the applicant’s Controllers** |

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| --- | --- | --- |
|  | Provide information on the Controllers[[15]](#footnote-16) **(not being natural persons)** of the applicant: | |
| Full name: |  |
| Place of incorporation: |  |
| Date of incorporation: | (MM/YYYY) |
| Percentage of effective shareholding in the applicant: |  |

1. If there trust vehicles and/or other corporate entities in the line of ownership, provide full details, including (but not limited to) ultimate Beneficial owners (“UBOs” [[16]](#footnote-17)), directors, trustees and beneficiaries (provide copies of supporting documentation):

|  |
| --- |
| [Insert text here] |

|  |  |  |
| --- | --- | --- |
| Full name: | Country of residence: | Passport number(s): |
| [Insert text here] | [Insert text here] | [Insert text here] |

|  |  |  |
| --- | --- | --- |
|  | Provide information about each of the Controllers **(being natural persons)** of the applicant: | |
| Name of individual: |  |
| Date of birth: | (DD/MM/YYYY) |
| Passport number (provide a copy): |  |
| Nationality: |  |
| Country of residence: |  |
| For Kazakhstani nationals, provide IIN (provide a copy): |  |
| Shareholding details: | |
| Direct or indirect shareholder: |  |
| Effective date of shareholding: | (MM/YYYY) |
| Effective % of shareholding in applicant: |  |
|  | Set out details of the individual's mentioned in 4.3. employment history during the past 10 years (including periods of part-time employment, unemployment or self-employment)[[17]](#footnote-18). List the records chronological order,.[[18]](#footnote-19) If this information has been captured in the Approved Individual status form simply make reference to it:   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | *Name of employer and country of operation:* | *Nature of business of employer:* | *Designation and department:* | *Brief description of duties:* | *Period*  *(MM/YYYY)* | | | *From:* | *To:* | |  |  |  |  |  |  | | |
|  | Set out details of any Controller positions of the individual held in any corporations, other than this appointment with the applicant (i.e. indicate shareholding in other firms of the proposed Controller). List the records in chronological order:   |  |  |  |  | | --- | --- | --- | --- | | *Name of corporation:* | *Place of incorporation:* | *Nature of business:* | *% shareholding in corporation:* | |  |  |  |  | | |
|  | For AIFC companies please explain who, or what entity, will provide the initial capital. Please be specific and include, at a minimum:  • for Controllers not being natural persons – most recent audited financial statements, and if these are not available please explain why, and submit latest management accounts, if the applicant is a member of a group, the latest group consolidated audited financial statements;  • for Controllers being natural persons – full details of source of wealth and source of funds, with supporting evidence as well as the narrative describing such. | |
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| 1. **Controlled and Designated Functions[[19]](#footnote-20)** |

1. Provide details on the appointment of the proposed individuals who will be performing Controlled Functions in the table below:[[20]](#footnote-21)

|  |  |  |
| --- | --- | --- |
| Name of individual | Controlled Function[[21]](#footnote-22) | Resident of the Republic of Kazakhstan? |
|  | Senior Executive Officer |  |
|  | Director (executive) |  |
|  | Director (non-executive) |  |
|  | Finance Officer |  |
|  | Compliance Officer |  |
|  | Money Laundering Reporting Officer |  |

1. Provide details on the appointment of the proposed individuals who will be performing Designated Functions[[22]](#footnote-23) in the table below:[[23]](#footnote-24)

|  |  |  |  |
| --- | --- | --- | --- |
| Name of individual | Designated Function[[24]](#footnote-25) | Director, Partner, or Senior Manager? | Resident of the Republic of Kazakhstan? |
|  |  |  |  |

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| 1. **Regulated Activities being sought by the applicant** |

* 1. Please complete the matrix below indicating the Regulated Activity you propose to undertake in respect to each Investment or financial product by ticking all boxes applicable.

*Please note that, if the applicant is a branch of a non-AIFC entity, it may only apply for regulated activities for which its head office has already been licensed by its home state regulator.*

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| № | Proposed Regulated Activities (GEN Schedule 1) | **Regulated Activity [[25]](#footnote-26)** | Shares | Debentures | Warrants | Certificates | Structured products | Futures | Contracts for Differences | Options | Rights to or interests in Investments | Units in a Collective Investment Scheme | Sukuk | Digital Assets | Environmental Instruments |
|  | Managing a Collective Investment Scheme |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Providing Fund Administration |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Advising on Investments |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Arranging Deals in Investments |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

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| 1. **The regulatory business plan (RBP)** |

The RBP is an important document that will be used by the AFSA to help make decisions about the fitness and propriety of the applicant in seeking approval to conduct Regulated Activities.

*Please pay attention to the following useful tips:*

* Set out your strategy in a clear, unambiguous, and succinct manner. Ensure that there are no conflicting or confusing statements in your RBP.
* Capitalise the first letter of all words or terms that are defined in the AIFC Glossary.
* Remember that the description of the applicant’s business is an important part of the overall application and is integral to the AFSA’s decision making. The amount of detail submitted should be proportionate to the:
* Nature of the business the applicant intends to carry on;
* Size and complexity of its proposed operations and Client base; and
* Potential risks.
* Track any changes made to an RBP should it require a re-submission, so that changes can be efficiently identified.
* The AFSA authorisations team considers each and every applicant to be unique, with their own set of circumstances and issues that must be addressed specifically to the proposed business.
* The AFSA does not expect to see sections that outline the applicant’s business “philosophy” or its “core values” or the “region’s market potential”.
* Do not copy and paste generic, on-line materials in the expectation that the questions in the RBP will have been answered.
* Do not refer to another response or repeat the same response in other text boxes. Each question posed is unique and requires a customised response.
  1. **Introduction and background**

Provide a brief introduction to and history of the applicant, including what experience it or its Group have in conducting regulated financial services in Kazakhstan or any other jurisdictions:[[26]](#footnote-27)

|  |  |
| --- | --- |
| The applicant and/or its Group (if part of a Group): | |
| History/experience of the applicant and/or its Group: | |
|  | |
| Rationale of the applicant to conduct business in the AIFC: | |
|  | |
| Has the applicant or any of its Controllers submitted an RBP or an application form to any other Financial Services Regulator to conduct Regulated Activities in the past? |  |
| If “yes”, when, and to what Regulator was the most recent submission? |  |
| If “yes”, above, what was the resulting outcome of submission? |  |

* 1. **Regulated Activities to be conducted**

The information in this section is critical for the AFSA to understand and assess the nature and complexities of the applicant’s proposed undertakings in terms of the Regulated Activities. In the text-boxes below discuss each of the Regulated Activities that you propose to offer. Document how each Regulated Activity will relate to your day-to-day business operations and services.

|  |  |
| --- | --- |
| **Description of each Regulated Activity applied for:** | |
| Name of Regulated Activity #1: |  |
| Detailed description of your business process in relation to the proposed Regulated Activity: | |
|  | |

* 1. **Target markets, Client classifications, and on-boarding of Clients**

What geographical areas or regions will the applicant target and how will the marketing be conducted in the immediate term and what are the future plans?

|  |
| --- |
| Immediate target markets: |
|  |
| Future target markets: |
|  |

Will the Clients be Retail, Professional, or Market Counterparties? Refer to COB, Chapter 2 – Client classification[[27]](#footnote-28):

|  |  |  |
| --- | --- | --- |
| Client classification: | Yes or no? | Approximate numbers of Clients in first year: |
| Retail: |  |  |
| Professional: |  |  |
| Market Counterparty: |  |  |

|  |
| --- |
| Describe the Client acquisition strategy – how does the applicant plan to source its Clients. For example, referral, marketing, advertising, or transfer from within your Group? |
|  |

* 1. **Intra-Group dependencies**

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| --- |
| Describe any intra-Group transactions and business relationships (e.g. guarantees, loans, cash flows, services, etc.) and their rationale: |
|  |

* 1. **Consolidated supervision of the Group by other Regulators**

|  |
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| Describe the extent to which other Regulators, whether domestic or international, supervise the Group on a consolidated Group basis (if applicable): |
|  |

* 1. **Board, senior management, committees, and independence of functions**

|  |
| --- |
| Describe the composition of the Governing Body and all committees: |
|  |
| Describe the composition of the senior management: |
|  |
| Describe the independence (or non-independence) of control functions, including the segregation of duties:   * What measures are in place to ensure there are adequate segregation and independence of the control functions from the business functions? * Explain the control functions to access to escalate any risks or regulatory issues to senior management or the Governing Body? |
|  |

* 1. **Human resources:**

|  |
| --- |
| Identify overall headcount projected for the end of year-1: |
|  |
| Identify all positions included in the headcount above: |
|  |
| Briefly explain how the applicant will ensure they remain fit, proper, competent, and capable of performing the functions: |
|  |

* 1. **The applicant’s physical presence in the AIFC[[28]](#footnote-29)**

If any of the proposed business functions or activities are to be conducted from outside the AIFC in the initial period with, for example, a Kazakhstan-based Group entity, then respond to each of the questions below:

|  |
| --- |
| What business activities of the applicant will be conducted from outside the AIFC upon being granted a licence? |
|  |
| Where will these business activities be conducted if not within the AIFC? |
|  |
| Why is the applicant proposing to conduct these activities outside the AIFC? |
|  |
| What are the inherent risks of conducting these activities outside the AIFC? |
|  |
| How will these inherent risks be mitigated? |
|  |
| What is the anticipated timeline to bring these identified activities into the AIFC? |
|  |
| What, if any, is the impact on data privacy across jurisdictional boundaries? |
|  |
| What, if any, is the impact on AFSA’s access to data and records? |
|  |

* 1. **Outsourcing arrangements**

Provide details (if relevant) relating to any arrangements made with third party service providers in connection with the Regulated Activities the applicant will be conducting, including:

|  |
| --- |
| Will the applicant outsource or delegate any functions or activities? If ‘yes’, answer the questions below. |
|  |
| What functions or activities will be outsourced or delegated? |
|  |
| Will the above functions or activities be outsourced or delegated to a Group entity or an independent service provider? Provide details (legal name, place of incorporation, licence, etc.). |
|  |
| If the applicant will be utilising the services of an independent service provider what was the rationale for choosing the one picked? |
|  |
| How will the applicant ensure that the AFSA has access rights to inspect the systems of the service provider and to ensure access to information? |
|  |

* 1. **IT systems and data back-up**

Describe the proprietary and non-proprietary IT systems and the names of the products (if applicable) that the applicant will use to support its business activities:

|  |
| --- |
| Record keeping of customer information and transactions: |
|  |
| Financial accounting: |
|  |
| Compliance monitoring: |
|  |
| Risk management: |
|  |
| Suspicious transactions surveillance and reporting: |
|  |
| Management reporting: |
|  |
| Data back-up and redundancy: |
|  |

* 1. **Risk management**

|  |  |
| --- | --- |
| What are the unique internal risks and regulatory issues that could arise from the applicant conducting its specific Regulated Activities? | |
|  | |
| Who in the applicant reports to senior management and Governing Body? How often? | |
|  | |
| Please confirm that the applicant aware of the need for the Business Continuity Plan in case of a disruptive event.  (Please refer to Guidance for the template of Business Continuity Plan) | [Tick here] |

* 1. **Compliance procedures and arrangements**

The applicant will have to provide copies[[29]](#footnote-30) of the compliance procedures and monitoring programme in relation to its Regulated Activities at the time of application submission.

* 1. **Anti-Money Laundering, Counter-Terrorist Financing and Sanctions**

Please provide the applicant’s Anti-Money Laundering, Counter-Terrorist Financing and Sanctions policies, procedures, systems and controls[[30]](#footnote-31), which must be specific to its AIFC activities and comply with the AIFC AML Rules. These policies, procedures, systems and controls should include, amongst other things, arrangements to:

* ensure senior management of the applicant is aware of their responsibility for the applicant’s compliance with the AIFC AML Rules, and the duty to exercise due skill, care and diligence in carrying out these responsibilities;
* comply with the Law of the Republic of Kazakhstan No 191-IV dated 28 August 2009 on Counteracting legalisation (laundering) of proceeds obtained through criminal means and financing of terrorism and any other relevant laws of the Republic of Kazakhstan;
* ensure compliance with relevant sanctions issued by the competent authority of the Republic of Kazakhstan, United Nations Security Council, the European Union, the United Kingdom (HM Treasury) and the United States of America (Office of Foreign Assets Control of the Department of the Treasury).
  1. **Internal and external audit**

|  |  |
| --- | --- |
| Please confirm that the applicant is aware that the audited financial accounts have to be provided annually and internal audit should take place periodically based on the complexity and scale of the business.[[31]](#footnote-32) | [Tick here] |
|  | |

|  |
| --- |
| What is the name and details of the applicant’s proposed external auditor[[32]](#footnote-33): |
|  |

* 1. **Additional questions for applicants applying for Managing a Collective Investment Scheme**

The questions in this section are only for those applicants applying for the Regulated Activity of Managing a Collective Investment Scheme:

|  |  |
| --- | --- |
| Please confirm that the applicant is aware of the relevant prospectus requirements in AIFC CIS Rules, Chapter 5 – Marketing requirements. | [Tick here] |
| How will the applicant ensure that Funds are only promoted and sold to Professional or Market Counterparty Clients if the applicant has not been authorised to deal with Retail Clients? | |
|  | |
| Who will be responsible for: 1) investment risk-management; and 2) valuation? | |
|  | |
| How will the applicant identify and mitigate conflicts of interest between the Fund manager, the Fund, and its investors? | |
|  | |
| Describe fee structure of the applicant including the amount and frequency of fee generation: | |
|  | |

* 1. **Fund Management**

Indicate the nature or type of asset management activity(-ies) or services you will be undertaking:

|  |  |  |  |
| --- | --- | --- | --- |
| Islamic Investment Fund: |  | Collective investment fund: |  |
| Hedge Fund: |  | Private Equity: |  |
| Fund of Funds: |  | Venture Capital: |  |
| Real Estate Investment Trust: |  | Umbrella Fund |  |
| Feeder Fund: |  | Master Fund: |  |
| Others (specify): | [Insert text here] | | |

Provide details of the projected number of Clients and estimated value of assets under management (AUM) to the end of year one:

|  |
| --- |
| [Insert text here] |

Provide the estimated percentage of your target Clients based on the expected AUM:

|  |  |  |
| --- | --- | --- |
| *Type of Clients* | *% of total clients* | *% of total AUM* |
| Retail Clients: |  |  |
| Professional Clients: |  |  |
| Market Counterparties: |  |  |

Provide the estimated percentage of AUM based on the types of structure used:

|  |  |  |
| --- | --- | --- |
| *Type of Account* | | *%* |
| Collective investment fund: | Domestic Funds: |  |
| Foreign Funds: |  |
| *Other structures (specify):* | | |
| *[Add rows accordingly]* | |  |
| Total: | |  |

If your firm is managing hedge funds or similar alternative investments, indicate the investment strategy or focus by placing a “Yes” in the appropriate cell:

|  |  |  |  |
| --- | --- | --- | --- |
| Equities long/short: |  | Fixed income: |  |
| Convertible: |  | Global macro: |  |
| Distressed: |  | Volatility: |  |
| Equities market neutral: |  | Credit focused: |  |
| Fund of hedge funds: |  | Multi-strategies: |  |
| Event driven/ Special Situation/ Merger arbitrage: |  | | |
| *Others (specify):* | *[Insert text here]* | | |

Provide details of the underlying asset classes which the portfolio(s) will likely be invested in:[[33]](#footnote-34)

|  |
| --- |
| [Insert text here] |

* 1. **Conduct of business**

Provide a description of your firm’s proposed custody and fund administration arrangements:

|  |
| --- |
| [Insert text here] |

Describe your arrangements for ensuring best execution:[[34]](#footnote-35)

|  |
| --- |
| [Insert text here] |

Will you or any related parties co-invest with your Clients? If “Yes”, please describe how any conflicts or potential conflicts of interest will be managed:[[35]](#footnote-36)

|  |
| --- |
| [Insert text here] |

Describe your formal valuation arrangements of the portfolio(s) you will manage and how these are disclosed to Clients:

|  |
| --- |
| [Insert text here] |

Describe how you will ensure and evidence that Client/Unitholder assessments and considerations of suitability are carried out:[[36]](#footnote-37)

|  |
| --- |
| [Insert text here] |

Describe how senior management and the Board will ensure that personnel in Client-facing roles and those responsible for investment management decisions are competent at performing their roles and will continue to maintain their knowledge and skills relevant to their roles:

|  |
| --- |
| [Insert text here] |

* 1. **Three-year projections demonstrating adequate financial resources**

The three-year financial resources of the applicant are an important component in assess­ment of the firm’s fitness and probity, especially in terms of potential breaches to the minimum prudential requirements. We look critically at the initial capital injection and the estimated annual expenses. In particular, we want to know how long a newly authorised firm can continue its operations without any revenues in the early stages of operation and not contravene its Minimum Capital Requirement.

We also want to assess the applicant’s forecasted three-year revenues but, these will not be taken into account unless they can be substantiated with, for example, non-binding letters-of-intent from potential Clients or a revenue-stream transfer from another entity.

In the three-year projections we require the following data and commentary when compiling the spreadsheets:

* The opening balances of the statement of financial position (balance sheet) from for day-1 of operations;
* Cash-flow forecasts for each month;
* Monthly profit and loss accounts, split into income streams;
* A forecast of the applicant’s Capital Resources versus Minimum Capital Requirement by month; and
* A monthly statement of financial position (balance sheet).

Please use in your financial projections (template available for download) figures in USD only and use numeric months as the timing of your authorisation cannot be predicted. Explain or justify the assumptions made concerning the financial projections.

* 1. **Base capital and estimated annual expenses**

|  |
| --- |
| In the table below summarize the requested figures (in USD) as presented in the applicant’s financial projections: |

|  |  |
| --- | --- |
| Capital injection upon initiation of regulated activities (non-Branches only)[[37]](#footnote-38): |  |
| Estimated annual operational expenses (Branches and non-Branches) in:   * year 1 of operations, * year 2 of operations, and * year 3 of operations: |  |
| Estimated revenues (non-Branches only) in:   * year 1 of operations, * year 2 of operations, and * year 3 of operations: |  |
| In order to monitor and analyse financial indicators of the AIFC branches, branches are expected to report to the AFSA on all their activities (including on the Authorised Market Institutions and all AIFC operations). Does the Applicant maintain interbranch accounting? If yes, please provide relevant internal policies. If no, please provide information how the Applicant is planning to ensure the separate records of assets/operations in the AIFC: | |
|  | |

|  |
| --- |
| 1. **Internal control systems supporting documents** |

* 1. We require documentation evidencing the internal control systems that will govern the affairs of the applicant once it receives its Licence.

Confirm that these supporting documents are included with this application:

|  |  |  |
| --- | --- | --- |
| **Supporting documents:** | **Yes** | **No** |
| Compliance Manual:[[38]](#footnote-39) |  |  |
| Anti-Money Laundering Procedures:[[39]](#footnote-40) |  |  |
| Compliance Monitoring Programme:[[40]](#footnote-41) |  |  |
| Risk Management Policies:[[41]](#footnote-42) |  |  |

* 1. If you responded “No” in any of the above cells, provide an explanation:

|  |
| --- |
|  |

|  |
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| 1. **Documentation Checklist** |

* 1. The documents must be attached with this application. Mark the appropriate response-cells with an “X” to confirm that these attachments form part of this submission:

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|  | **Verify that the following required documents are attached with this application submission:** | **Yes** | **No** | **N/a** |
|  | Incorporation certificate of Parent/head office (if applicable): |  |  |  |
|  | Board minutes approving establishment of the AIFC entity: |  |  |  |
|  | CVs for Controllers that are natural persons and/or UBOs: |  |  |  |
|  | Fit and Proper Questionnaire for Controllers (if applicable): |  |  |  |
|  | Approved Individual status forms for each individual performing a Controlled Function: |  |  |  |
|  | Designated Individual status forms for each individual performing a Designated Function: |  |  |  |
|  | Last audited accounts (if applicable):[[42]](#footnote-43) |  |  |  |
|  | Last audited Group accounts (if applicable):[[43]](#footnote-44) |  |  |  |
|  | A shareholding chart that depicts how the applicant is related to each of its shareholders (including natural persons) and to its related entities, Subsidiaries, and head office/Branch, as applicable[[44]](#footnote-45): |  |  |  |
|  | An organisation chart depicting the key appointments and reporting lines and, where applicable, the reporting lines to the Group or head office[[45]](#footnote-46): |  |  |  |
|  | For MLRO candidates:  - certificate of no criminal record (egov.kz);  - certificate of absence of registration in a psychiatric and narcological dispensary (egov.kz);  - results of checking the existence of a ban on travel abroad according to the register of debtors, and the register of debtors in enforcement proceedings (<https://aisoip.adilet.gov.kz/debtors?ysclid=l7ilps6kwu392713632>). |  |  |  |
|  | Remuneration policy: |  |  |  |
|  | Valuation policy (if applicable): |  |  |  |
|  | Investment strategy (if applicable): |  |  |  |
|  | Three-year financial projections with key assumptions and day-1 opening balances: |  |  |  |
|  | If the applicant is start-up evidence of source of funds and source of wealth for an individual/entity providing initial capital:[[46]](#footnote-47) |  |  |  |
|  | Evidence, such as non-binding letters of engagement, to support the applicant’s revenue-stream estimations in the financial projections: |  |  |  |
|  | If the applicant is a start-up, a copy of the Shareholders’ agreement: |  |  |  |
|  | Employee code of conduct: |  |  |  |
|  | Terms of reference for the Governing Body and all committees: |  |  |  |
|  | A soft copy of each Controller’s Kazakhstani ID card (if a Kazakhstani citizen or resident): |  |  |  |
|  | A soft copy of each Controller’s passport (with a machine-readable zone): |  |  |  |
|  | If your Parent is regulated in another jurisdiction provide a copy of its regulatory licence. It must include any restrictions or conditions: |  |  |  |
|  | A copy of the applicant’s interbranch accounting policy (if applicable): |  |  |  |
|  | If the applicant is a Branch, provide a written undertaking from the head office on the immediate fulfillment of obligations related to the activities of its Branch operating in the AIFC, in case of non-fulfillment and/or improper fulfillment by the Branch. |  |  |  |

* 1. If you responded “No” in any of the cells above provide an explanation:

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| 1. **Fit and Proper[[47]](#footnote-48) Questionnaire for the applicant firm** |

This section is to be filled by the representative of the applicant firm. If any answers are “Yes” to any of the questions, then provide a detailed explanation. If necessary, attach separate documentation. It will not necessarily impair our assessment of the applicant’s fitness and probity if there is a positive response in any of the disclosures. However, deliberately withholding information or providing false or misleading information may prevent the success of the application.

* 1. Has the applicant or any member of your Group been made aware, whether formally or informally, that it is the subject of a current or pending investigation, review or disciplinary procedure by any regulatory authority, professional body, Financial Services Regulator, self-regulatory organisation, regulated exchange, clearing house, government body, agency, or any other officially appointed inquiry? If “Yes”, provide full details:

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* 1. Has the applicant or any member of its Group in the last 10 years been convicted or found guilty by any court of a competent jurisdiction of any criminal offence? If “Yes”, provide full details:

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* 1. Has the applicant or any member of its Group in the last 10 years been the subject of disciplinary procedures by a government body or agency or any Financial Services Regulator, self-regulatory organisation, or other professional body? If “Yes”, provide full details:

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* 1. Has the applicant or any member of its Group in the last 10 years contravened any provision of financial services legislation or of rules, regulations, statements of principle, or codes of practice made under it or made by a self-regulatory organisation, Financial Services Regulator, regulated exchange, or clearing house? If “Yes”, provide full details:

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* 1. Has the applicant or any member of its Group in the last 10 years been refused or had a restriction placed on the right to carry on a trade, business, or profession requiring a licence, registration, or other permission? If “Yes”, provide full details:

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* 1. Has the applicant or any member of its Group in the last 10 years received an adverse finding or an agreed settlement in a civil action by any court or tribunal of competent jurisdiction? If “Yes”, provide full details:

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* 1. Have the applicant or any member of its Group in the last 10 years been censured, disciplined, publicly criticised, or the subject of any investigation or enquiry by any regulatory authority, Financial Services Regulator, or officially appointed inquiry? If “Yes”, provide full details:

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| 1. **Submitting your application to the AFSA** |

Once you are satisfied that this form with the necessary signatures in place and all other supporting forms and documents necessary for your completed application have been finalised, you can then proceed to arrange an application submission meeting with your authorisation contact at the AFSA.

We will undertake an initial review of it to ensure that your submission appears to be materially complete and all the necessary attachments are included. We will formally acknowledge receipt of the application once we ascertain that it is materially complete.

For your submission we will require the paper-based originals with handwritten signature of one set of application forms, supplemental forms, and purpose-written, attachment documents, as well as the same in electronic format.

Firms are advised to retain a copy of this form, any supplements, and all attachments for their records.

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| **Appendix 1: Compliance manual and policy** |

The applicant must demonstrate that, holistically, its policies and procedures demonstrate a robust internal control and governance structure. The manual should address the points mentioned below. Note, this is not an exhaustive list:

1. What are the structural oversight and reporting arrangements that will ensure the applicant continually meet its compliance obligations under applicable legislation in the AIFC;
2. How compliance reports are prepared, authorised, disseminated, and followed up;
3. Policies and procedures, systems and controls, and customer documentation should cover areas such as client classification, terms of business, financial projections, marketing material, suitability, disclosure of fees and commissions, inducements, and segregation of Client Assets;
4. How compliance breaches are detected, recorded, categorised, rectified, and followed up;
5. How senior management will be apprised of such breaches;
6. How the AFSA and other Financial Services Regulators, if applicable, will be kept apprised of all relevant breaches;
7. How the Compliance Officer and Senior Management will remain up-to-date on any changes to applicable legislation and changes to the AIFC Rules and how will they be communicated to relevant staff;
8. What are the arrangements for handling, resolving and recording complaints, with particular reference to the requirements of AIFC COB, Chapter 15 – Complaints Handling and Dispute Resolution;
9. How the Compliance Officer will interface with risk management and internal audit to achieve a holistic view of controls around operational risk and governance;
10. How the applicant will ensure compliance by any Person under a material outsourcing or delegation arrangement with relevant requirements and procedures;
11. How the applicant will determine and maintain records of Client verification;
12. How the applicant will ensure compliance with financial reporting and regulatory Capital Requirements;
13. Whether a conflicts management policy has been, or will be, adopted. Describe how senior management and the Board will identify and manage conflicts of interest between: shareholders; Board members and the firm; segregation of functions to manage operational conflicts and conflicts between different Clients, and between the firm and Clients, or otherwise that may arise in the course of your business;
14. Describe the applicant’s procedures for monitoring and managing Employee conflicts, including management of the employee code of conduct, a copy of which should be provided. How will the applicant deal with Employee Personal Transactions? See AIFC COB, Rule 7.5; and
15. The applicant’s must also have systems and controls to review the adequacy of its Complaints handling policies and procedures. It must have Complaints handling policies and procedures that meet the requirements in AIFC COB, Chapter 7 – Complaints Handling and Dispute Resolution.
16. The applicant must demonstrate that its systems and controls (including policies and procedures) adequately provide for compliance with the requirements specifically dealing with Retail Clients. In particular:

‐ Marketing materials intended for Retail Clients;

‐ Content requirements for client agreements for Retail Clients;

‐ Suitability assessment for recommending a financial product for a Retail Client;

‐ Disclosure of fees, commissions, and any inducements, to a Retail Client; and

‐ Segregation of Client Money and/or Client Investments, where relevant.

1. The applicant’s systems and controls must be adequate to ensure that, on an ongoing basis, its Employees remain competent and capable to perform the functions which are assigned to them. This includes any additional factors that may be relevant if their functions involve interfacing with Retail Clients.

1. Terms defined in the AIFC Glossary (GLO) or the glossary sections in the Rules are identified by the capitalisation of the initial letter of a word or of each word in a phrase, unless the context otherwise requires the word to have its natural meaning. [↑](#footnote-ref-2)
2. The terms “you” and “your” as used throughout are not implied in the personal sense, but rather refer to the applicant applying for a Licence to carry on Regulated Activities. The terms “we” and “our” refer to the AFSA. [↑](#footnote-ref-3)
3. Please use the Application Form for a Representative Office. [↑](#footnote-ref-4)
4. Please type the answers throughout the application form electronically. Only signatures must be handwritten. [↑](#footnote-ref-5)
5. Or the person who will be authorised by the entity once it has been incorporated or established. [↑](#footnote-ref-6)
6. This person named will be responsible for the application during the authorisation process. He or she must be a representative of the applicant. [↑](#footnote-ref-7)
7. The terms “firm” and “applicant” are used interchangeably in this form. [↑](#footnote-ref-8)
8. Non-AIFC entities are firms created outside of the AIFC under the laws of another jurisdiction. Firms established by non-AIFC entities in the AIFC are commonly referred to as Branches. A Branch is not a separate legal Person to the firm. [↑](#footnote-ref-9)
9. Private Company / Limited Liability Partnership / General Partnership or other legal entities. Please refer to AIFC Companies Regulations or other related acts. [↑](#footnote-ref-10)
10. When assessing your application as a start-up we will take into account (i) the track record of your Controllers and shareholders; and (ii) the experience and qualifications of your key management staff. Start-ups must demonstrate that they have an effective shareholder dispute-resolution mechanism in place. [↑](#footnote-ref-11)
11. The AFSA will contact the regulatory authority as part of our due diligence on the applicant. [↑](#footnote-ref-12)
12. If you are requesting any of the AIFC Rules to be waived or modified you must also submit the application form for Waivers or Modifications detailing the reasons and rationale for such. [↑](#footnote-ref-13)
13. The financial year-end date will be used to determine your regulatory reporting requirements. [↑](#footnote-ref-14)
14. We require the details of any trading name which you propose to use for the purpose of, or in connection with, any business carried out in or from the AIFC, if it is different from your legal name. [↑](#footnote-ref-15)
15. Controllers are defined in the AIFC Glossary. [↑](#footnote-ref-16)
16. The term refers to the abbreviation for Beneficial owner. The term is defined in AIFC Glossary. [↑](#footnote-ref-17)
17. There should be no gaps in the employment period. If the individual is on sabbatical or long leave, include this in the list. Where the individual is currently employed with a company in your Group, provide the details of the company, leaving the "To" field empty. Where the individual has no prior working experience, provide details of the last education institution attended. [↑](#footnote-ref-18)
18. If the individual is currently employed by a corporation other than the applicant, state the individual's last day of employment, if applicable, with his/her current employer. [↑](#footnote-ref-19)
19. Refer to Guidance on Competence Assessment to understand AFSA’s minimum expectations in regard to competence and capabilities of individuals carrying out or to be approved or appointed to carry out Controlled or Designated Functions. [↑](#footnote-ref-20)
20. You must submit an AFSA Application for Approved Individual status form for each proposed individual who will be performing a Controlled Function. [↑](#footnote-ref-21)
21. An individual may perform more than one Controlled Function. However, there should be proper segregation between the business and control responsibilities. [↑](#footnote-ref-22)
22. As described in GEN Rule 2.3 – Designated Functions. [↑](#footnote-ref-23)
23. You must submit an AFSA Application for Designated Individual status form for each proposed individual who will be performing a Designated Function. [↑](#footnote-ref-24)
24. An individual may perform more than one Designated Function. However, there should be proper segregation between the business and control responsibilities. [↑](#footnote-ref-25)
25. Select the Licence your firm is applying for as well as the Investments you will be dealing in if the response-cell is available. That is, each Licence you are seeking that is listed here must be specified. [↑](#footnote-ref-26)
26. Describe the core business activities, expertise, scale of business, and country of operations of the applicant / Group. The description should also include any major developments in the history of the applicant / Group (e.g. attaining listing /regulated status, strategic acquisitions, change in shareholders, change in name, etc. [↑](#footnote-ref-27)
27. Within each Client classification provide details about the nature of the Clients. For example, individuals, niche sector, corporates, regulated financial institutions, etc. [↑](#footnote-ref-28)
28. Refer to AIFC Rules on the Substantial Presence of the Astana International Financial Centre Participants Applying Tax Exemptions for the Payment of Corporate Income Tax, Value Added Tax. [↑](#footnote-ref-29)
29. Refer to Appendix 1 of this application form for detailed requirements of the compliance manual. [↑](#footnote-ref-30)
30. Refer to Guidance (Requirements) to the Rules of Internal Control for the purposes of counteracting the legalisation (laundering) of proceeds from crime and the financing of terrorism for financial monitoring entities of the Astana International Financial Centre and the Practical Guidance to AIFC Anti-Money Laundering and Counter – Terrorist Financing Framework. [↑](#footnote-ref-31)
31. Refer to AIFC General Rule 5.5. – Internal audit. [↑](#footnote-ref-32)
32. According to AIFC Auditor Rules, an Authorised Person must appoint an auditor who is an Ancillary Service Provider. [↑](#footnote-ref-33)
33. For example: equities, fixed income, debt, property, derivatives, and, if applicable, details of the products such as derivatives used only for hedging purposes. [↑](#footnote-ref-34)
34. Refer to AIFC Collective Investment Scheme Rule 7.8 – Best execution and fair allocation. [↑](#footnote-ref-35)
35. Refer to AIFC Conduct of Business Rules, Chapter 7 – Conflicts of Interest. [↑](#footnote-ref-36)
36. Refer to AIFC Conduct of Business Rules, Chapter 5 – Conduct of Investment Business. [↑](#footnote-ref-37)
37. The applicant should be ready to inject this amount to satisfy Licence conditions. [↑](#footnote-ref-38)
38. Refer to Appendix 1 of this application form for detailed requirements of the compliance manual. [↑](#footnote-ref-39)
39. Refer to Section 7.12. [↑](#footnote-ref-40)
40. Your compliance monitoring program should document how compliance will be monitored within the business units. [↑](#footnote-ref-41)
41. Your risk management policies should describe the risk management arrangements you will establish and maintain to identify, assess, mitigate, control, and monitor the risks arising from the financial services activities you conduct. Such arrangements should take into account any Funds for which you are acting as the Manager. Include the following: nature, scope, and organizational structure of your risk management functions; reporting lines and nature, scope, and frequency of risk reporting, including the composition and terms of reference of any risk committees, and any appropriate links to Group risk reporting. [↑](#footnote-ref-42)
42. We require your most recent audited accounts. This should include balance sheet, profit and loss statement, cash flow statement and notes. Where audited accounts are unavailable, supply interim unaudited accounts or management accounts. [↑](#footnote-ref-43)
43. We require the Group’s most recent audited accounts including the balance sheet, profit and loss statement, cash flow statement and notes. Where audited accounts are unavailable, supply interim unaudited accounts or management accounts. [↑](#footnote-ref-44)
44. The chart should indicate the percentage of shareholdings or Controller interests held by each Person, the date and place of incorporation of each entity, and the place of residency of each natural person. Entities which are regulated should be identified, along with their Financial Services Regulator. Information on other forms of Controller interests should also be included (e.g., where Shares are held by a trust, provide details of all trustees, settlors and Beneficial owners). [↑](#footnote-ref-45)
45. Provide a full organisation chart that depicts key appointments – including senior management and heads of function, reporting lines, and (where applicable) the reporting lines to the Group or head office. [↑](#footnote-ref-46)
46. Provide supporting evidence of the source of wealth which will be used to provide your initial Capital Resources. We require details of how the money sourced for a start-up entity has been generated. Also, provide a bank reference. You may be asked for a declaration that the funds are not from the proceeds of crime. [↑](#footnote-ref-47)
47. Refer to Regulatory Guidance on Fitness and Propriety. [↑](#footnote-ref-48)