**Application for a Licence to carry on Market Activities**

This form must be submitted by all applicants applying for a Licence[[1]](#footnote-1) to carry on one or more Market Activities of Operating a Clearing House, Operating a Digital Asset Trading Facility, or Operating a Loan Crowdfunding Platform, and/or Operating an Investment Crowdfunding Platform as defined in the AIFC General Rules (GEN). Applicants considering to apply for other Market Activities need to contact Authorisations team as additional information might be required.

In addition to this form you[[2]](#footnote-2) may be required to complete other supplementary forms as applicable to your intended activity.

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| ***Prior to completing the application, you are highly advised to do the following:*** |
| 1. Meet or conference-call with the AFSA Authorisation team to discuss your intended activities; |
| 1. Submit initial drafts of the touch-point, process flow diagrams, described in Business Plan of this application form to the AFSA Authorisation team, for their comments and feedback; |
| 1. Meet or conference-call with the AFSA Authorisation team for their comments and feed­back on the initial drafts of the touch-point, process flow diagrams;[[3]](#footnote-3) and |
| 1. Submit the fully completed application, supplemental forms, and other required documents to the AFSA authorisation team for their consideration. |

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| **Notes for completing this form** |

We occasionally refer to various Regulations and Rules, sections, or chapters which make up the AIFC Rules and Regulations. However, these references are provided only as a guide and are not an exhaustive list of the Regulations and 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. If a question we ask does not pertain to your intended activity 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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| 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[[4]](#footnote-4) Date

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

* 1. Provide the following contact details for the individual from the applicant who is the principal for this application:[[5]](#footnote-5)

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

* 1. Provide the following contact details for the individual from the applicant who is a backup person for this application:

|  |  |
| --- | --- |
| 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[[6]](#footnote-6) 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?

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* 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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| Information about the applicant |

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|  | If the applicant is a Branch of a non-AIFC incorporated entity[[7]](#footnote-7) 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): |  |
| Proposed name of the applicant: |  |
| Proposed legal structure of the applicant[[8]](#footnote-8): |  |
| 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?[[9]](#footnote-9) |  |
|  | If you are not a start‐up applicant, as per section 3.3 above, please provide contact details of the regulator(s)[[10]](#footnote-10) 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 3.5 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:[[11]](#footnote-11) |  |
|  | What is or will be the applicant’s financial year-end (day and month)?[[12]](#footnote-12) |  |
|  | What will be the trading name of the Applicant (if different from legal name)?[[13]](#footnote-13) |  |

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| Details about the applicant’s Controllers |

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| --- | --- | --- |
|  | Provide information on the Controllers[[14]](#footnote-14) **(not being natural persons)** of the applicant: | |
| Name of Body Corporate, Limited Liability Partnership, or Trust: |  |
| Place of incorporation or registration: |  |
| Effective date of shareholding: | (MM/YYYY) |
| Percentage of effective shareholding: |  |
| Provide information for each of the board members of all Controllers: | |
| Name of individual: |  |
| Date of birth: | (DD/MM/YYYY) |
| Passport number (and a copy where available): |  |
| If there are trust vehicles and/or other corporate entities in the line of ownership, please provide full details, including (but not limited to) ultimate Beneficial owners (“UBOs”), directors, trustees and beneficiaries. |  |

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|  | 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 Individual Identification Number (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 employment history during the past 10 years (including periods of part-time employment, unemployment or self-employment)[[15]](#footnote-15). List the records in reverse chronological order, starting from the most recent record.[[16]](#footnote-16) 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 directorships of the individual in any corporations, other than this appointment with the applicant. List the records in reverse chronological order, starting from the most recent:   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | *Name of corporation:* | *Place of incorpora­tion:* | *Nature of business:* | *Director­ships: (executive or non-executive)* | *Date of appoint­ment:*  *(MM/YYYY)* | *% 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 origin and source of funds, with supporting evidence. | |

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| Controlled and Designated Functions |

* 1. Provide details on the appointment of the proposed individuals who will be performing Controlled Functions[[17]](#footnote-17) in the table below:[[18]](#footnote-18)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name of individual | Controlled Function[[19]](#footnote-19) | If Director, Executive or non-executive | Senior Manager | Resident of the Republic of Kazakhstan? |
|  | Senior Executive Officer |  |  |  |
|  | Director |  |  |  |
|  | Finance Officer |  |  |  |
|  | Compliance Officer |  |  |  |

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

|  |  |  |  |
| --- | --- | --- | --- |
| Name of individual | Designated Function[[22]](#footnote-22) | Director, Partner, or Senior Manager? | Resident of the Republic of Kazakhstan? |
|  | Senior Manager | N/A |  |
|  | Money Laundering Reporting Officer |  |  |
|  | Responsible Officer | N/A |  |

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| Financial information of the parent or major shareholder |

* 1. In the table below provide the general financial information as requested.[[23]](#footnote-23) In addition, we require audited financial statements for the last three years as well as the Group’s audited financial statements, where relevant.[[24]](#footnote-24)  Figures provided must be in USD:

Full legal name of the head office, parent or major shareholder whose financial information is presented herein: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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| --- | --- | --- | --- |
| Applicant’s financial statement: | Financial years ended: | | |
| [DD/MM/YYYY] | [DD/MM/YYYY] | [DD/MM/YYYY] |
| Revenue: |  |  |  |
| Profits after tax: |  |  |  |
| Shareholders’ funds / total equity: |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| Consolidated / Group financial statement: | Financial year ended: | | |
| [DD/MM/YYYY] | [DD/MM/YYYY] | [DD/MM/YYYY] |
| Revenue: |  |  |  |
| Profits after tax: |  |  |  |
| Shareholders’ funds / total equity: |  |  |  |

* 1. If the proposed shareholder(s) is a natural person provide documentary evidence of source of wealth, as well as a narrative describing such:

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

* 1. Please complete the table below indicating the Market Activities you propose to undertake by ticking all boxes applicable.

|  |  |  |
| --- | --- | --- |
| № | Proposed Market Activities (GEN Schedule 4) | Yes |
|  | [Operating a Clearing House](https://afsa.orderly.kz/articles/2.-operating-a-clearing-house) |  |
|  | [Operating a Digital Asset Trading Facility](https://afsa.orderly.kz/articles/3.-operating-a-private-e-currency-trading-facility) |  |
|  | [Operating a Loan Crowdfunding Platform](https://afsa.orderly.kz/articles/4.-operating-a-loan-crowdfunding-platform) |  |
|  | [Operating an Investment Crowdfunding Platform](https://afsa.orderly.kz/articles/5.-operating-an-investment-crowdfunding-platform) |  |

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| Anti-Money Laundering, Counter-Terrorist Financing and Sanctions |

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| --- | --- | --- |
|  | Provide information on the Money Laundering Reporting Officer (MLRO) of the applicant: | |
| Full name of MLRO (as stated in passport): |  |
| Passport number: |  |
| The country and place of issue of the MLRO’s passport: |  |
| Please attach a copy of the current passport held by MLRO, and a copy of his/her current visa. | |
| Job title/level within the firm: |  |
| Residential address: |  |
| Telephone number: |  |
| Mobile phone number: |  |
| Email address: |  |
| What steps has the applicant taken to ensure that MLRO is capable and suitably qualified to undertake the roles and responsibilities as set out in AIFC AML Rules? Please provide details: |  |
|  | Please attach the applicant’s Anti-Money Laundering, Counter-Terrorist Financing and Sanctions policies, procedures, systems and controls, 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 and United Nations Security Council. | |

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| 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:

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| --- | --- | --- |
| **Supporting documents:** | **Yes** | **No** |
| Compliance Manual:[[25]](#footnote-25) |  |  |
| Anti-Money Laundering Procedures:[[26]](#footnote-26) |  |  |
| Compliance Monitoring Programme:[[27]](#footnote-27) |  |  |
| Risk Management Policies:[[28]](#footnote-28) |  |  |

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

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| 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 Market 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.
* Capitalize the first letter of all words or terms that are defined in the GLO.
* 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.
* Define all abbreviations and acronyms used in the RBP in the table below:

|  |  |
| --- | --- |
| *Abbreviation or acronym:* | *Abbreviation or acronym defined:* |
|  |  |
|  |  |
|  |  |

* 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.

# Introduction and background

Provide a brief introduction to and history of the applicant, including what experience it or its Group have in conducting market activities in Kazakhstan or any other jurisdictions:[[29]](#footnote-29)

|  |  |
| --- | --- |
| The applicant and/or its Group (if part of a Group): | |
| Overview of the applicant: | |
|  | |
| History/experience of the applicant and/or its Group: | |
|  | |
| Has the applicant or any of its Controllers submitted an RBP or an application form to any other Financial Services Regulator to conduct Regulated or Market 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? |  |

# 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 activities. In the text-boxes below discuss how you are going to conduct the Market Activities.

|  |
| --- |
| Please construct process flow-charts of your operations by incorporating all “touch-points” of the business flow processes. These will assist you in explicitly clarifying your activities to us.[[30]](#footnote-30)  These touch-point process flow diagrams should demonstrate “the flow of monies” in all transactions that occur within the business model. The applicant must include, for example, such touch-points as:   * Client on-boarding; accounts that the Clients have to sign; * Interactions with Clients and all various counterparties; * Marketing of services; * All mandates, Client agreements, and inter-agency management agreements or contracts with other financial service providers such as custodians, banking institutions, fund administrators, brokerages, clearing houses, etc.; * How the applicant’s transactions are executed; * How the Clients enter into buy/sell transactions; * Interconnections of all legal entities such as Special Purpose Vehicles, General Partners, investment companies, etc.; * Where fees/revenues (such as premiums, referrals, commissions, interest, etc.) and expenses/costs (incurred out-goings to counterparties, etc.) will occur.[[31]](#footnote-31) |

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| **Description of the Market Activities and business-model flow charts:** |
| Confirm yes or no if a diagrammatic flow chart for this Activity has been provided: |
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| Detailed description of the activity with reference to the flow chart and revenue model: |
|  |
| Detailed description of the business case for establishing the Authorised Market Institution: |
|  |
| For an Authorised Clearing House: specify whether the Applicant intends to become a Central Counterparty (“CCP”) or to provide a book-entry Securities Settlement System ("SSS”)[[32]](#footnote-32). |
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# 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?

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| Immediate target markets: |
|  |
| Future target markets: |
|  |
| 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? |
|  |
| Where Clients will be transferred explain the process, timescale, and the due diligence that will be undertaken to ensure full compliance with the requirements of the AML Rules: |
|  |
| Please describe how your Clients will be classified with respect to your type of Market Activity referring to AMI 7.3.1 (if applicable). Provide approximate numbers of Clients in first year: |
|  |
| Describe the Client on-boarding in terms of the AML, due-diligence, and documentation processes, including who is responsible for Client on-boarding: |
|  |
| Who is responsible for Client reporting? |
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| How often is Client reporting carried out? |

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# Relationship with Group – Shareholding structure

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| Provide a Shareholding chart (as an attachment if more convenient) that depicts how the applicant is related to each of its shareholders (including natural persons), and to related entities, Subsidiaries and head office/Branch(s) (where applicable).[[33]](#footnote-33) |
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# 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: |
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# 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: |
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# Organisation structure and corporate governance

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| Provide a full organization chart that depicts key appoint­ments – including senior management and heads of functions, reporting lines, and (where applic­able) the reporting lines to the Group or head office: |
|  |

# Board, senior management, committees, and independence of functions

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| --- |
| Describe the composition, scope, responsibilities, and reporting lines of each Board and management committee: |
|  |
| Describe the composition and responsibilities of the compliance committee: |
|  |
| 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? |
|  |
| Describe any key-person risk in the firm and, if so, how will this be mitigated? |
|  |
| Identify any potential or actual conflicts of interests and explain how the corporate governance structure and controls of the applicant will mitigate or address each one: |
|  |
| Include the details of governance arrangements, monitoring and effectiveness assessment procedures of the Governing Body: |
|  |

# Non-financial and human resources:

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| --- |
| Describe the applicant’s proposed staffing and overall headcount upon authorisation and projected for the end of year-1: |
|  |
| Describe the front-end, support, and back-office functions and activities that will be conducted with­in the AIFC: |
|  |
| Briefly explain how the applicant will supervise, train, and monitor its employees to ensure they remain fit, proper, competent, and capable of performing the functions to which they are assigned: |
|  |
| What is the applicant’s approach to its remuneration policy with particular reference to any incentives or commissions schemes? |
|  |
| Demonstrate by providing appropriate evidence (including documentary and other evidence) of the applicant's ability to:  a) reduce the extent to which its facilities can be used for a purpose connected with Market Abuse, Financial Crime or money laundering, and to facilitate their detection and monitor their incidence;  b) to monitor and take action in the event of a member of an applicant being unable to meet his obligations in respect of one or more Market Contracts. |
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# Outsourcing arrangements

Provide details (if relevant) relating to any arrangements made with third party service providers in connection with the Market Activities including:

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| What functions or activities will be outsourced or delegated: |
|  |
| Will the above functions or activities be outsourced to a Group entity or an independent service provider? |
|  |
| If the applicant will be utilizing the services of an independent service provider what was the rationale for choosing the one picked? Has the applicant undertaken due diligence of the service provider (what measures have been taken)? |
|  |
| 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? Show that the terms of outsourcing contracts with each service provider under a material outsourcing arrangement require the service provider to: (a) provide information and documents where required by the AFSA under section 96 of the Framework Regulations; (b) deal in an open and co‐operative way with the AFSA. |
|  |
| Provide details of any business relationships with other counterparties in relation to the Market Activities. For example, custody arrangements, clearing and settlement, research, advisory services, and trade-execution services. (Note, these counterparties should be indicated on the flow charts in section 9.2.) |
|  |
| Describe and demonstrate how you supervise responsibility for compliance of the outsourced functions or activities: |
|  |
| List all material outsourcing arrangements related to trading systems, clearing and settlement systems and to any other function: |
|  |

# Technology resources

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:

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| Record keeping of customer information and transactions: |
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| Financial accounting: |
|  |
| Compliance monitoring: |
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| Risk management: |
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| Suspicious transactions surveillance and reporting: |

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| Management reporting: |
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| Record keeping and data protection: |

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| The IT system in relation to the execution of Client and/or proprietary trades, if any. If the applicant will be providing direct market access or carries on programmed trading, describe the controls that will be put in place: |
|  |
| Data back-up and redundancy: |

|  |
| --- |
|  |
| Describe and demonstrate how you ensure that your information technology systems are reliable and adequately protected, and that you have adequate procedures and arrangements for the evaluation, selection and on-going maintenance and monitoring of information technology systems[[34]](#footnote-34): |
|  |
| For Authorised Digital Asset Trading Facility: demonstrate by providing a copy of appropriate evidence (including documentary and other evidence) that applicant has sufficient technology resources in relation to the following:  a) The applicant’s procedures describing the creation, management and control of digital wallets and private keys in accordance with AMI Rule 6.6.2;  b) A cyber security policy setting forth its policies and procedures in accordance with AMI Rule 6.6.1. |
|  |
| Describe and demonstrate how trading controls in accordance with AMI Rule 6.6.3/ Fundraising limits, Lending and Investment limits in accordance with AMI Rules 7.3.23-7.3.24 will be ensured by the applicant: |
|  |
| Describe and demonstrate the arrangements for securing the timely discharge (whether by performance, compromise or otherwise), clearing and settlement of the rights and liabilities of the parties to transactions effected on the Authorised Digital Asset Trading Facility in accordance with AMI Rule 6.6.4: |
|  |
|  |
| Please detail the applicant's development and testing methodologies in line with internationally accepted testing standards in order to test the viability and effectiveness of its information technology systems:[[35]](#footnote-35) |
|  |

# Risk management

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| --- |
| What are the unique internal risks and regulatory issues that could arise from the applicant conducting its specific Market Activities? |
|  |
| Describe the systems, policies, and procedures in place to identify, assess, mitigate, and monitor the internal risks and regulatory issues identified in the cell above? |
|  |
| What is the composition, responsibilities, and terms of reference of the risk committees: |
|  |
| What is the frequency of risk-reporting to senior management or the Governing Body? |
|  |
| Describe the business continuity procedures in case of a disruptive event: |
|  |
| For an Authorised Clearing House: please describe and demonstrate the arrangements to ensure compliance with the requirements on safeguards for investors[[36]](#footnote-36) |
|  |
| For an Authorised Clearing House: please describe and demonstrate the arrangements for loss allocation.[[37]](#footnote-37) |
|  |
| For an Authorised Clearing House: please describe and demonstrate arrangements for credit risk management.[[38]](#footnote-38) |
|  |
| For an Authorised Clearing House: Does the Applicant require collateral to manage its own, its Members’ or other participants’ credit risks arising in the course of or for the purposes of its payment, clearing, and settlement processes?[[39]](#footnote-39) |
|  |
| If ‘Yes’ on the above, describe your collateral management system[[40]](#footnote-40) |
|  |
| For an Authorised Clearing House operating as a Central Counterparty: please describe and demonstrate arrangements for a margin system?[[41]](#footnote-41) |
|  |
| For an Authorised Clearing House: please describe and demonstrate arrangements for liquidity risk management.[[42]](#footnote-42) |
|  |
| For an Authorised Clearing House: please describe and demonstrate the arrangements for settlement.[[43]](#footnote-43) |
|  |
| For an Authorised Clearing House: please describe and demonstrate the arrangements for storage and delivery of physical instruments and commodities.[[44]](#footnote-44) |
|  |
| For an Authorised Clearing House: Will the Applicant act as Central Securities Depository or operate an exchange-of-value settlement system? If yes, please demonstrate compliance with AMI Rule 4.5. |
|  |
| For an Authorised Clearing House: Please describe and demonstrate the arrangements in the event of a Member’s failure to meet its obligations in respect of one or more Market Contracts?[[45]](#footnote-45) |
|  |
| For an Authorised Clearing House acting as a Central Counterparty: Please describe and demonstrate the arrangements relating to the segregation and portability of the positions and related collateral of the customers of its Members and other participants using its facilities.[[46]](#footnote-46) |
|  |

# Safeguarding and administration of assets/ Client and own assets

|  |
| --- |
| Describe and demonstrate the arrangements for addressing custody and investment risks relating to Digital Assets: |
|  |
| If you will be acting as a Digital Asset Depository, please describe and demonstrate the compliance with AMI Rule 6.6.4(2): |
|  |
| Will you hold Client Money? |
|  |
| For customer trading, describe what arrangements you will have in place to ensure the safeguarding of Client Assets, including custody and Client Money arrangements:[[47]](#footnote-47) |
|  |
| Provide a copy of your standard Client agreement:[[48]](#footnote-48) |
|  |
| How often will reconciliations of Client holdings be carried out and who will be responsible for the reconciliation? How will you reconcile your records of Client Assets, including Client Money, with the records of other parties (such as third party custodians or dealers) so as to ensure any differences identified are rectified promptly? |
|  |
| For Authorised Clearing House: How will you address risks relating to custody of your own assets?[[49]](#footnote-49) |
|  |

# Compliance procedures and arrangements

The applicant will have to provide copies[[50]](#footnote-50) of the compliance procedures and monitoring programme in relation to its Market Activities at the time of application submission. In advance of this we would like to get a general understanding of your compliance procedures and arrangements.

|  |
| --- |
| How are compliance breaches detected, recorded, categorised, rectified, and followed up? |
|  |
| What is the scope and frequency of the compliance reviews or audits: |
|  |
| Provide an overview of the applicant’s proposed compliance monitoring programme: |
|  |
| What are the arrangements for handling, resolving and recording complaints? |
|  |
| How will the applicant determine Client verification and how will these records be maintained? |
|  |
| How will the Compliance Officer interface with risk management and internal audit to achieve a holistic view of controls around operational risk and governance? |
|  |
| How will the applicant ensure training and competence are embedded into the culture of the firm? |
|  |
| Demonstrate by providing appropriate arrangements (including documentary and other evidence) of applicant’s ability to verify that its members comply with requirements, set out in its own rules, COB, AMI and AML, and, if relevant, its clearing and settlement arrangements: |
|  |
| For Authorised Digital Asset Trading Facility: please detail the applicant's arrangements, which verify that issuers admitted to trading on its facilities comply with the COB Rule 17.3 and AMI Rule 6.3: |
|  |

# AML/CTF procedures and arrangements

The applicant will have to provide copies[[51]](#footnote-51) of the AML compliance procedures and monitoring programme in relation to its Market Activities and business activities at the time of application submission. In advance of that we would like to get a general understanding of your AML procedures and arrangements.

|  |
| --- |
| What is the scope and frequency of the AML/CTF reviews or audits: |
|  |
| Provide an overview of how the applicant will monitor, detect, and report suspicious customers, activities, and transactions: |
|  |
| Describe the training programmes and procedures to ensure Employees are made aware of their regulatory obligations with regards to AML/CTF: |
|  |

# Internal and external audit

|  |
| --- |
| Provide details of the scope, organisational structure, reporting lines, and staffing of the internal audit function (whether outsourced or not). If the applicant is part of a Group, provide details of the relationship between its internal audit function and the internal audit function of the Group: |
|  |
| Describe and demonstrate how you ensure that the internal audit function is independent from operational and business functions. |
|  |
| Provide details of the scope, organisational structure, reporting lines, and staffing of the external audit function: |
|  |
| What is the name and details of the applicant’s proposed external auditor: |
|  |

# Additional disclosure and transparency requirements

|  |
| --- |
| Demonstrate by providing appropriate arrangements (including documentary and other evidence) of applicant’s ability to comply with the disclosure requirements:[[52]](#footnote-52) |
|  |
| For Authorised Crowdfunding Platforms: What is your policy to ensure that the appropriate risk disclosures are made, including default or failure rates, risk acknowledgement, and suitability?[[53]](#footnote-53) |
|  |
| For Authorised Crowdfunding Platform: What is your policy to ensure that appropriate disclosures are made regarding he main risks to lenders or investors, using Crowdfunding Platform (e.g. business failures, high risk activities, loan transfer issues, permitted investment sale issue). |
|  |
| How an Authorised Crowdfunding Platform will deal with overdue payments or a default by a Borrower? Which jurisdiction's laws will govern the loan agreement between the lender and Borrower or the Investment between Investor and Issuer? |
|  |

# 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. We look critically at the initial capital injection and the estimated annual expenses. In par­ticu­lar, we want to know how long a newly authorised market institution can continue its operations without any reve­nues in the early stages of operation and not contravene its minimum capital.

We also want to assess the applicant’s forecasted first-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; and
* A monthly statement of financial position (balance sheet).

Please use 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.

Present below the assumptions to support the financial projections:

|  |
| --- |
| On capitalization: |
|  |
| On liquidity: |
|  |
| On earnings or revenues: |
|  |
| On costs or expenses: |
|  |

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| --- |
| 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:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **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: |  |  |  |
|  | Résumés/CVs for Controllers that are natural persons: |  |  |  |
|  | Résumés/CVs for the members of the Board of Directors (both executive and non-executive) as 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):[[54]](#footnote-54) |  |  |  |
|  | Last audited Group accounts (if applicable):[[55]](#footnote-55) |  |  |  |
|  | 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: |  |  |  |
|  | An organisation chart depicting the key appointments and reporting lines and, where applicable, the reporting lines to the Group or head office: |  |  |  |
|  | A copy of the applicant’s remuneration policy: |  |  |  |
|  | One-year financial projections with key assumptions and day-1 opening balances: |  |  |  |
|  | If the applicant is a start-up evidence of source of funds:[[56]](#footnote-56) |  |  |  |
|  | 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: |  |  |  |
|  | A copy of the employee code of conduct: |  |  |  |
|  | A copy of the Business Continuity and Disaster Recovery Plan: |  |  |  |
|  | Copies of any Board and management committees’ terms of reference: |  |  |  |
|  | A copy of each Controller’s Kazakhstani ID card (if a Kazakhstani citizen or resident): |  |  |  |
|  | A copy of each Controller’s passport (for non-Kazakhstani citizens): |  |  |  |
|  | If your Parent is regulated in another jurisdiction provide a copy of its regulatory licence. It must include any restrictions or conditions: |  |  |  |
|  | Membership Rules:[[57]](#footnote-57) (if applicable) |  |  |  |
|  | Direct Electronic Access Rules:[[58]](#footnote-58) (if applicable) |  |  |  |
|  | Business Rules (if applicable) |  |  |  |
|  | Default Rules[[59]](#footnote-59) (if applicable) |  |  |  |
|  | Admission to Trading Rules:[[60]](#footnote-60) (if applicable) |  |  |  |
|  | Admission to Clearing Rules[[61]](#footnote-61) (if applicable) |  |  |  |
|  | Settlement Rules[[62]](#footnote-62) (if applicable) |  |  |  |
|  | Cyber security policy and procedures:[[63]](#footnote-63) (if applicable) |  |  |  |
|  | Business cessation plan:[[64]](#footnote-64) (if applicable) |  |  |  |
|  | Standard Client Agreement |  |  |  |
|  | Internal Audit Policy |  |  |  |
|  | Conflicts of Interest Policy |  |  |  |

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

|  |
| --- |
|  |

* 1. List additional supporting documents not covered in the above checklist:

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| Fit And Proper Questionnaire |

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:

|  |
| --- |
|  |

* 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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| --- |
| Strategic Fit Questionnaire |

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| --- |
| Section 1. Business activities |

* 1. The proposed business activities of the Applicant are in the field of:

Government related 󠄀  Oil and gas  Mining 󠄀  Financial

Industrial manufacturing  Cyber security  Education  Agriculture 󠄀

IT 󠄀  R&D  Culture  Health

Other\_\_\_\_\_\_\_\_\_\_(*please specify)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

* 1. Are the proposed business activities of the Applicant related to activities currently targeted by sanctions administered by any government or international organisations?

Yes 󠄀  No

*If YES, please provide an overview below, including the sanctioned party’s name, location, sanctioned regime targeting them, connection to the company, whether any sanctions licence or legal advice is relied upon for continuing the connection.*

|  |
| --- |
|  |

* 1. Does the Applicant or any of the Applicant’s Connected Parties[[65]](#footnote-65) or Other Related Parties[[66]](#footnote-66), currently have a presence in other countries?

Yes 󠄀  No

*If YES, please specify in what country(-ies) the Applicant or any of the Applicant’s Connected Parties or Other Related Parties have a presence?*

|  |
| --- |
|  |

* 1. Please specify the main purpose and rationale of the Applicant's presence in Kazakhstan.

|  |
| --- |
|  |

* 1. Does the Applicant plan to carry on its main activities in Kazakhstan?

Yes 󠄀  No

*If NO, please provide an overview below.*

|  |
| --- |
|  |

* 1. Does the Applicant plan to relocate any production or innovation to Kazakhstan?

Yes 󠄀  No

*If YES, please provide an overview below.*

|  |
| --- |
|  |

* 1. Do the proposed business activities involve cooperation with Kazakhstani local business?

Yes 󠄀  No

*If NO, please provide an overview below on a target market.*

|  |
| --- |
|  |

* 1. What currency does the Applicant plan to operate in (multiple choice available)?

KZT 󠄀  RUB  USD  EUR

Other\_\_\_*(please specify*)\_\_\_\_\_\_

* 1. Does the Applicant plan to carry on activities in other countries?

Yes 󠄀  No

*If YES, please specify the countries.*

|  |
| --- |
|  |

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| --- |
| Section 2. Corporate and Organisational Structure |

* 1. How many employees does the Applicant plan to employ?

1-5

6-20

> 20

* 1. Does the Applicant plan to employ Kazakhstani citizens?

Yes 󠄀  No

*If YES, please specify the number of local employees*

|  |
| --- |
|  |

* 1. Does the Applicant plan to employ foreign citizens?

Yes 󠄀  No

*If YES, please specify the number of foreign employees and their countries of citizenship*

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|  |

* 1. Please specify the number of directors composing the board of directors of the Applicant and their citizenship (if applicable).

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| --- |
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| Section 3. Sanctions Exposure |

* 1. Is the Applicant or are any of the Applicant’s Connected Parties or Other Related Parties currently targeted by sanctions administered by any government or international organisations?

Yes 󠄀  No

*If YES, please provide an overview below, including the sanctioned party’s name, location, sanctioned regime targeting them, connection to the company, whether any sanctions licence or legal advice is relied upon for continuing the connection.*

|  |
| --- |
|  |

* 1. Does the Applicant, or any of the Applicant’s Connected Parties or Other Related Parties, have any offices, transactions, investments, activities or planned activities in jurisdictions currently targeted by sanctions administered by any government or international organisations?

Yes 󠄀  No

*If YES, please provide an overview below, including the sanctioned party’s name, location, sanctioned regime targeting them, connection to the company, whether any sanctions licence or legal advice is relied upon for continuing the connection, details of how transactions are made, activities carried on or planned to be carried on between the company and sanctioned party.*

|  |
| --- |
|  |

* 1. Does the Applicant, or any of the Applicant’s Connected Parties or Other Related Parties, have any transactions, investments, activities or planned activities with (or in):
* any person, including individual, or entity located in jurisdictions currently targeted by sanctions administered by any government or international organisations?

Yes 󠄀  No

*If YES, please provide an overview below, including the sanctioned party’s name, location, sanctioned regime targeting them, connection to the company, whether any sanctions licence or legal advice is relied upon for continuing the connection, details of how transactions are made, activities carried on or planned to be carried on between the company and sanctioned party.*

|  |
| --- |
|  |

* any entity owned or controlled by any individual or entity located in jurisdictions currently targeted by sanctions administered by any government or international organisations? 󠄀

Yes 󠄀  No

*If YES, please provide an overview below, including the sanctioned party’s name, location, sanctioned regime targeting them, connection to the company, whether any sanctions licence or legal advice is relied upon for continuing the connection.*

|  |
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|  |

* 1. Does the Applicant plan to take any practical steps to achieve sufficient awareness of the individuals and organisations the Applicant cooperate with, and that they do not fall under the sanctions administered by any government or international organisations?

Yes 󠄀  No

*If YES, please provide an overview below.*

|  |
| --- |
|  |

* 1. Does the Applicant plan to have any internal oversight and verification controls to mitigate the sanctions risk exposure?

☐ Yes 󠄀 ☐ No

*If YES, please provide an overview below*

|  |
| --- |
|  |

|  |
| --- |
| 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. If you are submitting published documents (for example, a corporate annual report), they can be submitted on memory stick.

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

|  |
| --- |
| **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 applicants 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. 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-1)
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 Market Activities. The terms “we” and “our” refer to the AFSA. [↑](#footnote-ref-2)
3. Depending upon the complexity of the proposed business the AFSA might request that a draft regulatory business plan (RBP) be submitted in advance of the fully completed application submission. [↑](#footnote-ref-3)
4. Or the person who will be authorised by the entity once it has been incorporated or established. [↑](#footnote-ref-4)
5. 5 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-5)
6. 6 The terms “firm” and “applicant” are used interchangeably in this form. [↑](#footnote-ref-6)
7. 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-7)
8. Private Company / Limited Liability Partnership / General Partnership or other legal entities. Please refer to AIFC Companies Regulations or other related acts. [↑](#footnote-ref-8)
9. 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-9)
10. The AFSA will contact the regulatory authority as part of our due diligence on the applicant. [↑](#footnote-ref-10)
11. 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-11)
12. The financial year-end date will be used to determine your regulatory reporting requirements. [↑](#footnote-ref-12)
13. 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-13)
14. Controllers are defined in the AIFC Glossary. [↑](#footnote-ref-14)
15. 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-15)
16. 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-16)
17. As described in AIFC GEN Rule 2.2 – Controlled Functions. [↑](#footnote-ref-17)
18. You must submit an AFSA Application for Approved Individual status form for each proposed individual who will be performing a Controlled Function. [↑](#footnote-ref-18)
19. An individual may perform more than one Controlled Function. However, there should be proper segregation between the business and control responsibilities. [↑](#footnote-ref-19)
20. As described in AIFC GEN Rule 2.3 – Designated Functions. [↑](#footnote-ref-20)
21. You must submit an AFSA Application for Designated Individual status form for each proposed individual who will be performing a Designated Function. [↑](#footnote-ref-21)
22. An individual may perform more than one Designated Function. However, there should be proper segregation between the business and control responsibilities. [↑](#footnote-ref-22)
23. If the firm is a start-up then we would want to know the financial wherewithal of the major shareholder(s). [↑](#footnote-ref-23)
24. The audited accounts should include balance sheet, profit and loss statement, and cash flow statement. Where audited accounts are unavailable supply interim unaudited accounts or management accounts. [↑](#footnote-ref-24)
25. Refer to Appendix 1 of this application form for detailed requirements of the compliance manual. [↑](#footnote-ref-25)
26. 26 Refer to Section 7.2 of this application form. [↑](#footnote-ref-26)
27. Your compliance monitoring program should document how compliance will be monitored within the business units. [↑](#footnote-ref-27)
28. 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. 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-28)
29. 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-29)
30. If a particular business activity does not lend itself to a touch point-flow chart, then explain the operations in detail so that all aspects of the processes have sufficient clarity. [↑](#footnote-ref-30)
31. Please refer to AMI Rules 7.3.16 (f) fees it charges for the use of the facility are designed to recover its costs of providing the facility, rather than generating additional income [↑](#footnote-ref-31)
32. Refer to GEN Rules Schedule 4 for detailed description. [↑](#footnote-ref-32)
33. 32 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-33)
34. Please refer to AMI Rule 2.4.5. [↑](#footnote-ref-34)
35. Please refer to AMI Rule 2.4.6. [↑](#footnote-ref-35)
36. Please refer to AMI Rule 4.2.2. [↑](#footnote-ref-36)
37. Please refer to AMI Rule 4.2.3. [↑](#footnote-ref-37)
38. Please refer to AMI Rule 4.3.1. [↑](#footnote-ref-38)
39. Please refer to AMI Rule 4.3.2. [↑](#footnote-ref-39)
40. Please refer to AMI Rule 4.3.2. [↑](#footnote-ref-40)
41. Please refer to AMI Rule 4.3.3. [↑](#footnote-ref-41)
42. Please refer to AMI Rule 4.3.4. [↑](#footnote-ref-42)
43. Please refer to AMI Rule 4.4.1. [↑](#footnote-ref-43)
44. Please refer to AMI Rule 4.4.3. [↑](#footnote-ref-44)
45. Refer to AMI Rule 4.5. [↑](#footnote-ref-45)
46. Refer to AMI Rule 4.6.6 [↑](#footnote-ref-46)
47. Refer to COB Rules 8.2 and 8.3. [↑](#footnote-ref-47)
48. Refer toCOB Section 4. [↑](#footnote-ref-48)
49. Refer to AMI Rule 2.9. [↑](#footnote-ref-49)
50. Refer to Appendix 1 of this application form for detailed requirements of the compliance manual. [↑](#footnote-ref-50)
51. Refer to Section 7.2. of this application form. [↑](#footnote-ref-51)
52. 38 Refer to AIFC AMI Rule 6.5 in respect to the transparency obligations of Operators of Digital Asset Business. [↑](#footnote-ref-52)
53. Refer to AIFC AMI Rule 7.3. Requirements for Authorised Crowdfunding Platforms. [↑](#footnote-ref-53)
54. 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-54)
55. 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-55)
56. Provide supporting evidence of the original source of funds 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-56)
57. Please refer to AMI Rule 2.6. [↑](#footnote-ref-57)
58. Please refer to AMI Rule 2.7. [↑](#footnote-ref-58)
59. Please refer to AMI Rule 3.5. and/or AMI Rule 4.6. [↑](#footnote-ref-59)
60. Please refer to AMI Rules 6.3 and 6.4, COB Rule 17.3. [↑](#footnote-ref-60)
61. Please refer to AMI Rule 4.1. [↑](#footnote-ref-61)
62. Please refer to AMI Rule 4.4. [↑](#footnote-ref-62)
63. Please refer to AMI Rule 6.6.1. [↑](#footnote-ref-63)
64. Please refer to AMI Rule 7.3.17 [↑](#footnote-ref-64)
65. Connected Parties include but are not limited to, beneficial owners, key controllers, trustees, settlors/grantors/founders, protectors and beneficiaries. [↑](#footnote-ref-65)
66. Other Related Parties include parties who may support or provide advice to the customer, but who sit out outside of the ownership structure. This may include syndicate lending deals, arrangers in SPVs, insurance manager in captive insurance and distributors. [↑](#footnote-ref-66)