

# Authorisation process in the AIFC:

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# 01.

## WHAT IS AUTHORISATION

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- In order to conduct financial or ancillary services in or from the AIFC, firms need to obtain a licence from the AFSA.
- The authorisation process enables the AFSA to identify, prevent significant misconduct or harm from occurring and to ensure that firms and individuals meet threshold conditions before a firm carries out financial or ancillary services from the AIFC.

# 02.

## DECIDE WHAT TYPE OF BUSINESS YOU WANT TO CARRY OUT

### 2.1. Authorisation

Licences granted by the AFSA specify the type and scope of financial or ancillary services that a firm is permitted to conduct. The types of services authorised by AFSA are as following:

Regulated Activities		
Investments	Banking	Insurance
<ul style="list-style-type: none"> <li>- Dealing in Investments as Principal;</li> <li>- Dealing in Investments as Agent;</li> <li>- Operating a Multilateral Trading Facility;</li> <li>- Operating an Organised Trading Facility;</li> <li>- Managing Investments;</li> <li>- Managing a Collective Investment Scheme;</li> <li>- Advising on Investments;</li> <li>- Arranging Deals in Investments</li> </ul>	<ul style="list-style-type: none"> <li>- Providing Credit;</li> <li>- Advising on a Credit Facility;</li> <li>- Arranging a Credit Facility;</li> <li>- Providing Money Services;</li> <li>- Opening and Operating Bank Accounts;</li> <li>- Operation of a Payment System</li> </ul>	<ul style="list-style-type: none"> <li>- Insurance Intermediation;</li> <li>- Effecting Contracts of Insurance;</li> <li>- Carrying on Contracts of Insurance;</li> <li>- Insurance Management</li> </ul>
Funds	Islamic Finance	Custody
<ul style="list-style-type: none"> <li>- Providing Trust Services;</li> <li>- Providing Fund Administration;</li> </ul>	<ul style="list-style-type: none"> <li>- Islamic Banking Business;</li> <li>- Providing Islamic</li> </ul>	<ul style="list-style-type: none"> <li>- Providing Custody;</li> <li>- Arranging Custody</li> </ul>
		General

<ul style="list-style-type: none"><li>- Acting as the Trustee of a Fund;</li><li>- Managing a Restricted Profit-Sharing Investment Account</li></ul>	Financing; <ul style="list-style-type: none"><li>- Takaful Business</li></ul>	<ul style="list-style-type: none"><li>- Operating a Representative Office</li></ul>
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Market Activities	Ancillary Services
<ul style="list-style-type: none"> <li>- Operating an Exchange;</li> <li>- Operating a Clearing House;</li> <li>- Operating a Private E-currency Trading Facility;</li> <li>- Operating a Loan Crowdfunding Platform;</li> <li>- Operating an Investment Crowdfunding Platform;</li> <li>- Operating a Private Financing Platform</li> </ul>	<ul style="list-style-type: none"> <li>- Providing Legal Services;</li> <li>- Providing Audit Services;</li> <li>- Providing Accountancy Services;</li> <li>- Providing Consulting Services;</li> <li>- Providing Credit Rating Services</li> </ul>

## 2.2. Recognition

AFSA also deals with the recognition of brokers and dealers, market institutions and fund managers located outside of the AIFC. Recognition will enable financial market infrastructures (investment exchanges and clearing and settlement institutions) and qualified potential market participants (brokers and dealers, fund managers) to be recognised to carry out their activities in the AIFC without having to establish a physical presence.

Recognition	
<p><b>Recognised Non-AIFC Members (RNAM)</b> - market participants, such as brokers and dealers</p>	<p>RNAM status permits a RNAM to access the facilities of the Authorised Investment Exchange or Authorised Clearing House within the AIFC without exceeding the scope of the activities it is authorised to carry on by its home regulator</p>

<p><b>Recognised Non-AIFC Market Institutions (RNAMI)</b> – authorised market institutions, like an exchange, clearing house or alternative trading system</p>	<p>RNAMI may apply to AFSA and must meet the recognition criteria that are set out in the AIFC Recognition Rules</p>
<p><b>Foreign Fund Manager</b> – fund manager authorised and regulated in other jurisdiction</p>	<p>Foreign Fund Manager may apply to AFSA and must criteria captured in the Rule 4.3(b)(ii) of the AIFC Collective Investment Scheme Rules</p>

# 03.

## OVERVIEW OF AUTHORISATION/ RECOGNITION PROCESS

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**01**

**Preliminary meeting/call**  
Informal feedback

**04**

**In-Principle Approval**  
Authorisations  
Committee decision to approve/reject the application

**05**

**Fulfilling In-Principle Conditions**  
In case Authorisation Committee Members set conditions for authorisation/recognition

**02**

**Draft application**  
Initial feedback

**03**

**Formal application**  
Further meetings, calls, feedback, refinement of various aspects of applicati

**06**

**Obtain a Licence/ Recognition**



# 04.

## ESSENTIAL STEPS TO BECOME AUTHORISED

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1. Contact AIFC Business Connect to Understand the value proposition of the AIFC for your business (please refer to 5. Contact us below);
2. Decide what type of business you want to carry out and check which Regulated Activities, Market Activities or Ancillary Services you will need to apply for (see section 2. Authorisation above);
3. Determine minimum regulatory capital requirements (if any);

All applicants for Regulated or Market Activities are required to demonstrate a sound initial capital base and funding and to meet the relevant prudential requirements of the AFSA Rules, on an on-going basis. This may include holding sufficient capital to cover expenses on a zero-revenue basis. Inevitably, start-up entities face greater financial risks as they seek to establish and grow a new business.

In addition to the risks associated with the financial viability of the start-up entity, attention should be given to the clarity and the verifiable source of the initial capital funding. Start-up entities may be required to disclose the source of their funds and the history of those funds for at least the previous 12 months (see the table with Base Capital Requirements (BCR) below):



Category	Type of activity	BCR valid until 1 November 2023	BCR valid from 1 November 2023
Banking	Bank	USD 5 million	USD 10 million
	Credit Provider	USD 500 000	USD 2 million
	Authorised Firm Providing Money Services	USD 200,000	USD 200,000
	Authorised Firm Arranging Credit Facility, Authorised Firm Advising on Credit Facility	USD 5,000	USD 10,000
Insurance	Insurer	USD 1.5 million – USD 5 million	USD 7,000-13,000
	Insurance Intermediary, Insurance Manager	USD 5,000 – 7,000	USD 50,000 - USD 500,000
Investments	Dealing In Investments as Principal	USD 50,000 - USD 500,000	USD 50,000
	Dealing In Investments As Agent	USD 50,000	USD 150,000
	Operating a Multilateral Trading Facility	an amount equal to 12 months' operational expenses	an amount equal to 12 months' operational expenses
	Operating an Organised Trading Facility	an amount equal to 12 months' operational expenses	an amount equal to 12 months' operational expenses
	Managing Investments	USD 150,000	USD 50,000 - USD 500,000
	Managing A Collective Investment Scheme	USD 50,000 - USD 500,000	USD 500,000
	Providing Custody Services	USD 50,000	USD 10,000
	Managing A Collective Investment Scheme, which is a Non-Exempt Fund	USD 150,000	USD 200,000

	Managing A Collective Investment Scheme, which is a Self-managed Fund and has an appointed Eligible Custodian, unless the appointment of an Eligible Custodian is not required due to the nature of the Fund and the type of assets which it holds	USD 300,000	USD 10,000
Islamic	Islamic Bank	USD 5 million	USD 10 million
	Islamic Broker Dealer	USD 2 million	USD 2 million
	Managing Profit-Sharing Investment Accounts	USD 200,000	USD 200,000
	Islamic Financing Company	USD 100,000 if only own fund used and USD 500,000 if not only own fund used	USD 2 million
	Takaful Operator	USD 1.5 million – USD 5 million	USD 7 million

#### 4. Determine your senior management team – who will be a part of the senior management team and who will fulfill the mandatory positions.

An applicant for Regulated or Market Activities must make separate applications for each individual it wishes to become approved.

Applicants will only be authorised if the AFSA is satisfied that the proposed individuals are fit and proper, and that the functions of their role will be conducted and managed in a sound and prudent manner.

5. Familiarize with applicable AIFC Rules and Regulations and be prepared to show how you will comply with them (see the table with rules for each area below):

Authorisation	Financial Services Framework Regulations General Rules
Recognised Non-AIFC Members	Recognition Rules
Funds	Collective Investment Scheme Rules
Prudential Requirements	Prudential Rules for Investment Firms Prudential Rules for Insurance Intermediaries Banking Business Prudential Rules Islamic Banking Prudential Rules
Market Members	Market Rules Authorised Market Institutions Rules
Islamic Finance	Islamic Finance Rules Islamic Banking Prudential Rules
Trading Facilities	Multilateral and Organised Trading Facilities Rules
FinTech	FinTech Rules
Representative Office	Representative Office Rules
Fees	Fees Rules

## 6. Determine what type of information is required for your application – it will facilitate and expedite the application process if applicants cover the following areas within their submission:

Strategy and rationale for establishing in the AIFC	this will include business activities, target markets, financial products, details of your existing and proposed clients and an analysis of your competition
Organisational structure	this will include proposed legal structure, and its relationship with other Group entities and other regulators of the Group
Corporate Governance in terms of management structure and organisation	this will include Board and senior management structure, main committees and an organogram of your corporate structure
Human and Capital resources	this will include human and capital resources, premises and any outsourcing arrangements
Control environment	this will include risk management, compliance and internal audit
Financial projections for three years	this will include assumptions, budgets, financial resources and minimum regulatory capital requirements

## 7. See useful resources:

- Application for Licence forms – [https://afsa.aifc.kz/forms\\_n/](https://afsa.aifc.kz/forms_n/)
- Authorisation guides and guidelines – <https://afsa.aifc.kz/guides/>
- Guide on Anti-Money Laundering controls and systems – <https://afsa.aifc.kz/files/legals/321/file/aml-guidance-eng.pdf>
- Guides on internal controls (compliance, risk management, AML, conflicts of interest, business continuity) – <https://afsa.aifc.kz/guides/>
- Guide on Fintess and Propriety – <https://afsa.orderly.kz/articles/regulatory-guidance-on-fitness->

[and-propriety](#)

# 05.

## CONTACT US

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Please feel free to contact AIFCA Business Connect Ltd. (ABC) team for setting up an initial meeting and become familiar with AIFC value proposition:

### - ABC contacts:

55/17 Mangilik El ave., C3.2, 010000, Nur-Sultan, Republic of Kazakhstan

Call-Center: +7 7172 61 37 43, 8 800 080 08 01

E-mail: [bcs@aifc.kz](mailto:bcs@aifc.kz), [asbd@aifc.kz](mailto:asbd@aifc.kz), [rsbd@aifc.kz](mailto:rsbd@aifc.kz)

Please contact the AFSA to apply for authorisation or if you require further information:

### - AFSA contacts:

55/17 Mangilik Yel Avenue, building C-3.2, Nur-Sultan, Kazakhstan

Call-Center: +7 7172 91 90 01, 8 800 080 08 01

E-mail: [authorisation@afsa.kz](mailto:authorisation@afsa.kz) – authorisation of Regulated Firms and Market Institutions, recognition  
[registration@afsa.kz](mailto:registration@afsa.kz) – authorisation of Ancillary Service Providers

