
CONSULTATION PAPER NO. 1

PROPOSED AMENDMENTS TO THE AIFC FEES RULES (FEES)

1. This consultation paper is issued by the Astana Financial Services Authority in order to invite public comment on the amendments to AIFC Fees Rules (“FEES”) for Islamic finance business in the AIFC. The proposed amendments to the FEES are set out in the Annex 1 to this paper. This paper summarises the approach taken to drafting amendments to FEES.
2. Comments are invited in relation to any aspect of the proposed amendments to FEES. AFSA may amend the proposals in light of the comments received.
3. The proposals in this consultation paper will be of interest to individuals, financial services companies and investors who are interested in doing business in the AIFC.

BACKGROUND

4. Financial services firms operating in the AIFC are subject to various sets of fees that are payable to the AFSA and/or the Companies Registrar.
5. On 10 December 2017 the AFSA Board of Directors approved the amendments to the AIFC General Rules, which extended the scope of Regulated Activities in the AIFC. New two types of Regulated Activities included Islamic Banking Business and Providing Islamic Finance.
6. The AFSA analysed the practice of other financial centres in relation to the application of fees for financial services. The most expensive types of financial services are usually Deposit taking and Providing Credit. Given that the Islamic Banking Business activity includes (i) raising, accepting and managing funds or money placements; and/or (ii) managing unrestricted Profit Sharing Investment Accounts, which are similar to deposit-taking activity of conventional banks, the AFSA proposed to set the application fee for Islamic Banking Business activity in the amount of USD 15 000. Since the Providing Islamic Financing is less risky activity from regulatory perspective, the AFSA proposed to set the application fee for Providing Islamic Financing in the amount of USD 10 000.

HOW TO PROVIDE COMMENTS?

7. All comments should be in writing and sent to the address or email specified below. If sending your comments by email, please use “Consultation Paper No 1” in the subject line. You may, if relevant, identify the organisation you represent in providing your comments. The AFSA reserves the right to publish, including on its website, any comments you provide, unless you expressly request otherwise at the time of making comments.

Comments to be addressed by post:
Policy and International Relations
Astana Financial Services Authority (AFSA)
8 Konayev Street, Building B, Astana, Kazakhstan

or emailed to: consultation@afsa.kz
Tel: +8 7172 613781

WHAT HAPPENS NEXT?

8. The deadline for providing comments on the proposals is **16 March 2018**. Once we receive your comments, we shall consider if any refinements are required to this proposal.

SCHEDULE 1: APPLICATION FEES PAYABLE TO THE AFSA FOR REGULATED ACTIVITIES

1.1 Application fees for applying for Licence to carry on Regulated Activities

Application fees are determined by the activities the Authorised Firm conducts or intends to conduct, as set out below:

Application fee by activities	Fee (USD)
Operating a Representative Office	3000
Managing a Collective Investment Scheme	5000
Arranging Custody	5000
Providing Fund Administration	5000
Advising on Investments	5000
Arranging Deals in Investments	5000
Insurance intermediation	5000
Managing Investments	5000
Providing Custody	5000
Providing Trust Services	5000
Acting as the Trustee of a Fund	5000
Dealing in Investments as Agent	10 000
Dealing in Investments as Principal	10 000
Managing a Restricted Profit Sharing Investment Account	10 000
<i>Islamic Banking Business</i>	<i>15 000</i>
<i>Providing Islamic Financing</i>	<i>10 000</i>