



Astana Financial Services Authority

Consultation Paper

No. 6 of 2018

**Proposed Amendments to
AIFC Regulations on
Private Placement Regimes**

June 20, 2018

1. Introduction

1. The Astana Financial Services Authority (“AFSA”) has issued this Consultation Paper to invite public feedback and comments on the proposed amendments to the Astana International Financial Centre (“AIFC”) Companies Regulations on providing exemption to Private Companies relating to offer Securities by the way of private placement.
2. The proposed amendments are set out in Annex A to this Paper.
3. This Consultation Paper may be of interest to individuals, legal entities, financial organisations and investors who are interested in doing business in the AIFC.
4. 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 6” in the subject line. You may, if relevant, identify the organisation you represent when providing your comments.
5. The AFSA reserves the right to publish, including on its website, any comments you provide, unless you expressly request otherwise. Comments supported by reasoning and evidence will be given more weight by the AFSA.
6. **The deadline for providing comments on the proposals is 20 July 2018.** Once we receive your comments, we shall consider if any refinements are required to the proposed amendments.
7. **Comments to be addressed to:**
Consultation Paper No 6
Innovation Policy Division
Astana Financial Services Authority (AFSA)
8 Kunayev Street, Building B, Astana, Kazakhstan
or emailed to: Fintech.Consultation@afsa.kz
Tel: +7 (7172) 647260

2. Background

1. On May 25, 2018, issued his Consultation Paper #4 to invite public feedback and comments on the proposed amendments to the Astana International Financial Centre (“AIFC”) Regulations and Rules on regulation of Virtual Currencies, facilities offering trading of Virtual Currencies, and regimes for alternative sources of funding for businesses (“Proposed Framework”).
2. The Proposed Framework involves amendments to the AIFC’s legislation to extend the current exempt offering regime for the offer of Securities by way of placement. The current edition of the AIFC Companies Regulation does not allow Private Companies to use these regimes.
3. Therefore, the AFSA is proposing amendments to the AIFC Companies Regulations on providing exemptions to Private Companies relating to offer Securities by the way of private placement.

3. Annex A

AIFC COMPANIES REGULATIONS

In this Appendix, a blue font and underlining indicates new text and strikethrough indicates deleted text, unless otherwise indicated.

PART 7: PRIVATE COMPANIES AND PUBLIC COMPANIES

CHAPTER 4—PROHIBITION OF PUBLIC OFFERS BY PRIVATE COMPANIES

50. Prohibition of public offers by Private Companies

- (1) A Private Company must not:
 - (a) make an offer of its Securities to the public; or
 - (b) allot or agree to allot its Securities to any Person with a view to the Securities being offered to the public....
- (3) A Private Company does not Contravene subsection (1) if it:
 - (a) acts in good faith under arrangements under which it is to re-register as a Public Company before the Securities are allotted;~~or~~
 - (b) undertakes, as part of the terms of the offer, to re-register as a Public Company within 6 months after the day the offer is first made, and the undertaking is complied with ; or
 - (c) offers Securities by way of placement as provided in Rules made by the AFSA.