



Astana Financial Services Authority

Consultation Paper

No. 7 of 2018

**Proposed Amendments to the Order
of the Governor of the AIFC on
Financial Services Exempt from
Corporate Income Tax**

June 28, 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 Order of The Governor of the AIFC on Financial Services Exempt from Corporate Income Tax on providing relief from corporate income tax for Participants of the AIFC Fintech Regulatory Sandbox (“the Sandbox”).
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 technology firms, investors and consulting firms who are interested in doing business in the AIFC and the Sandbox.
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 7” 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 28 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 7
Innovation Policy Division
Astana Financial Services Authority (AFSA)
8 Kunayev Street, Building B, Astana, Kazakhstan
or emailed to: Fintech.Consultation@afsa.kz
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2. Background

1. In accordance to the latest changes to the Constitutional Statute of the Republic of Kazakhstan “On the Astana International Financial Center”, the development of financial technologies (“FinTech”) and innovation projects are one of the key pillars of the AIFC.
2. As part of development of financial technologies in the AIFC, the Astana Financial Services Authority (“AFSA”) deployed the FinTech Regulatory Sandbox, a framework that allows FinTech startups and other innovators to conduct live experiments in a controlled environment under a regulator's supervision.
3. The AIFC is positioned as a jurisdiction with tax free regimes for financial service providers. Given that the Sandbox is designed for firms that are looking to apply technology in an innovative way to provide financial services that are or likely to be regulated by AFSA, it is proposed to provide relief from corporate income tax for Participants of the Sandbox.

3. Annex A

ORDER OF THE GOVERNOR OF THE AIFC ON FINANCIAL SERVICES EXEMPT FROM CORPORATE INCOME TAX

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

Order of the Governor of the Astana International Financial Centre on Financial Services Exempt from Corporate Income Tax

In accordance with subparagraph 5 of paragraph 3 of article 6 of the Constitutional Statute of the Republic of Kazakhstan On the Astana International Financial Centre and paragraph 9 of article 3 of The Structure of the Bodies of the Astana International Financial Centre, adopted by the Resolution of the Management Council on May 26, 2016 No. 20-27/1814, as amended by the Resolution of the Management Council, the Amendments and Supplementations to the Structure of the Bodies of the Astana International Financial Centre, adopted on October 9, 2017 No. 17-61-6.2, the Governor of the Astana International Financial Centre (AIFC) ORDERS:

1. In the event a Centre Participant carries on any service specified in Schedule 1, the Centre Participant shall not be liable for corporate income tax imposed by the Tax Code of the Republic of Kazakhstan on income or capital resulting from that

service provided the service is carried on in full compliance with the AIFC Regulations and Rules.

2. The list of financial services that are exempt from corporate income tax is specified in Schedule 1 hereof.

3. This order comes into effect from the date of its signing.

AIFC Governor

K. Kelimbetov

Schedule 1: The List of Financial Services that are Exempt from Corporate Income Tax

(a) A Regulated Activity listed in Schedule 1 of the AIFC General Rules (GEN).

(b) A Market Activity listed in Schedule 3 of the AIFC Financial Services Framework Regulations (FSFR).

[\(c\) A financial services activity specified in an AIFC FinTech Regulatory Sandbox Permission issued pursuant to the AIFC FinTech Regulatory Sandbox Guidance.](#)