

# IFN FORUM

## SINGAPORE

2019

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SGX Centre, Singapore

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#IFNSINGAPORE2019

# Strategic Role of Singapore in the Success of AIFC – Legal/Regulatory Collaboration Between Key International Financial Centres

- Why the Astana International Financial Centre (AIFC) is important for Singapore?
- Potential of AIFC-Singapore Collaboration in Islamic Finance
- Strategic Directions for AIFC-Singapore Partnership
- AIFC Structure and Independent Bodies
- Strategic Importance of English Common Law in AIFC and Singapore and world-class legal environment
- Singapore a Model for AFSA (AIFC regulator) in Alignment with International Standards and Best Practices
- Cooperation between AIFCA, AFSA and MAS in Islamic FinTech
- Beneficial facts for Singaporean market



# Welcome to AIFC

ASTANA INTERNATIONAL FINANCIAL CENTRE (AIFC) PLAYS A PIVOTAL ROLE IN POSITIONING ITSELF AS A GLOBAL CENTRE FOR BUSINESS AND FINANCE, CONNECTING THE ECONOMIES OF **THE CENTRAL ASIA, THE CAUCASUS, EAEU, WEST CHINA, MONGOLIA, MIDDLE EAST AND EUROPE.**



# Potential of AIFC-Singapore Collaboration in Islamic Finance

## “FINANCIAL GATES”



## “BELT AND ROAD INITIATIVE”



## PRIVATIZATION OF STATE ENTERPRISES





# Strategic Directions for AIFC-Singapore Partnership

THE MAIN GOAL OF THE AIFC IS TO DEVELOP A NON-BANKING FINANCIAL SECTOR AND CREATE FAVOURABLE CONDITIONS FOR INVESTING. POSITIONING NUR-SULTAN AS THE MAIN FINANCIAL CENTRE IN THE REGION SHOULD BE ACHIEVED THROUGH THE IMPLEMENTATION OF THE FOLLOWING FIVE STRATEGIC DIRECTIONS:

## Capital Markets



## Asset Management



## Green Finance



## Islamic Finance

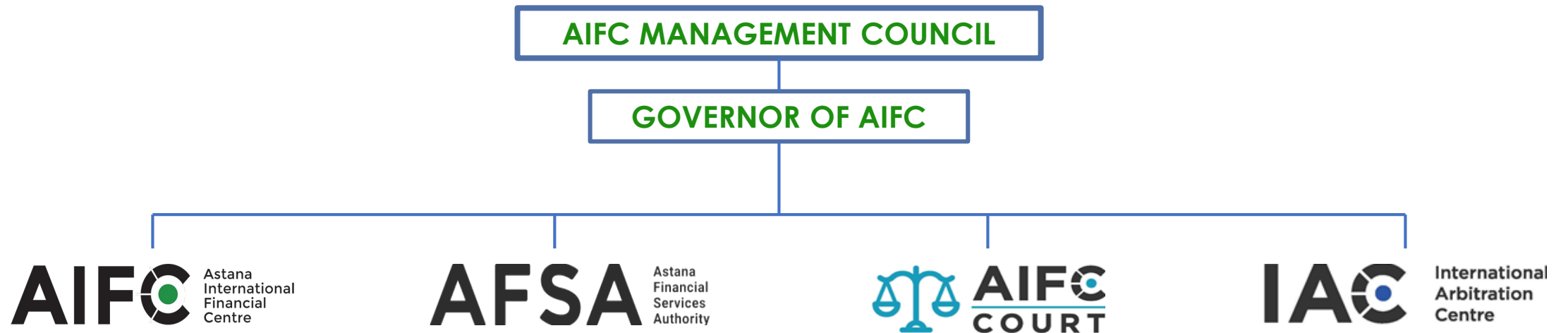


## FinTech



# AIFC Structure

## AIFC Independent Bodies



## OTHER KEY PLAYERS





# Independent Centre Bodies



Creates all the necessary conditions for the activities of bodies, structural units, participants and employees of the AIFC.



Regulates financial services and related activities in the AIFC, develops regulated financial services acts and supervises the activities of the AIFC participants



Represents the first independent legal system of Common (English) Law in the region to resolve civil and commercial disputes.



Acts as an independent, cost-effective and operational alternative to litigation. It offers arbitration, mediation and other forms of alternative dispute resolution.



# Other Key Players



High-tech stock exchange that provides a full business cycle of financial services, including securities trading, clearing and settlement.



Created to ensure accelerated integration of foreign citizens into the Kazakhstan's business community through the provision of a wide range of government (500+) and social services for foreign customers on the principle of "one window". The entire support system is in English



Opens the gates for international entrepreneurs, start-ups, industry experts, offering modern infrastructure, transparent and flexible regulation to enter the markets of Asia and Europe.



The AIFC Bureau aims to develop human capital within and outside of the AIFC eco-system by creating a platform for continuous professional development, building and supporting professional communities, promoting international certifications, organizing events to improve financial and investment literacy.



Develops a green finance policy, assists players of the Kazakhstan's market and the region that issue green bonds, raises public awareness about green finance.





# Strategic Importance of English Common Law in AIFC and Singapore

- Both Singapore and AIFC legal system are based on English common law
  - Rule of law
  - Constitution of Singapore
  - Constitution of Republic of Kazakhstan and Constitutional Statute of Republic of Kazakhstan
  - Judicial precedent and binding court judgements
- Article 13(5) of the Constitutional Statute provides that the law to be applied is to be “based on the principles and legislation of the law of England and Wales and the standards of leading global financial centres”. Regulation 29(3) of the Court Regulations provides that the Court will be guided by its own decisions on relevant matters and by final decisions in other common law jurisdictions. It thus has similar features to other institutions of what can be described as a transnational system of dispute resolution such as the Dubai International Financial Centre Courts and the Singapore International Commercial Court. Such courts also form part of a complementary partnership between dispute resolution based on litigation and that based on arbitration.



# World Class Legal Environment

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## Common Law Court System

AIFC COURT IS INDEPENDENT IN ITS ACTIVITIES. IT OPERATES IN ACCORDANCE WITH THE BEST INTERNATIONAL STANDARDS FOR RESOLVING CIVIL AND COMMERCIAL DISPUTES IN THE AIFC.

## Jurisdiction

THE AIFC COURT HAS EXCLUSIVE JURISDICTION OVER CONSIDERATION AND RESOLUTION OF DISPUTES ARISING BETWEEN THE PARTICIPANTS OF THE AIFC, THE BODIES OF THE AIFC AND (OR) THEIR FOREIGN EMPLOYEES. CONTROVERSY SUBMITTED BY MUTUAL CONSENT TO THE AIFC COURT IS ALSO CONSIDERED IN THE JURISDICTION OF THE AIFC COURT.

## Execution of Decisions

DECISIONS OF THE AIFC COURT ARE GUIDED WITH A RELIABLE SYSTEM OF LAW ENFORCEMENT IN THE REPUBLIC OF KAZAKHSTAN. DECISIONS OF THE AIFC COURT ARE ENFORCEABLE IN CHINA, INDIA, THE UNITED ARAB EMIRATES, TURKEY, PAKISTAN, THE CIS COUNTRIES AND OTHER COUNTRIES THAT HAVE INTERNATIONAL AGREEMENTS WITH THE REPUBLIC OF KAZAKHSTAN.

## Advanced Solutions and Efficiency

THE AIFC COURT PROVIDES AN OPPORTUNITY TO REMOTELY PARTICIPATE IN COURT PROCEEDINGS FROM ANYWHERE IN THE WORLD. IT ALSO PROVIDES SPECIAL EXPEDITED PROCEDURE FOR THE CONSIDERATION OF SMALL CLAIMS UP TO \$ 150,000.

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# Singapore a Model for AFSA in Alignment with International Standards and Best Practices

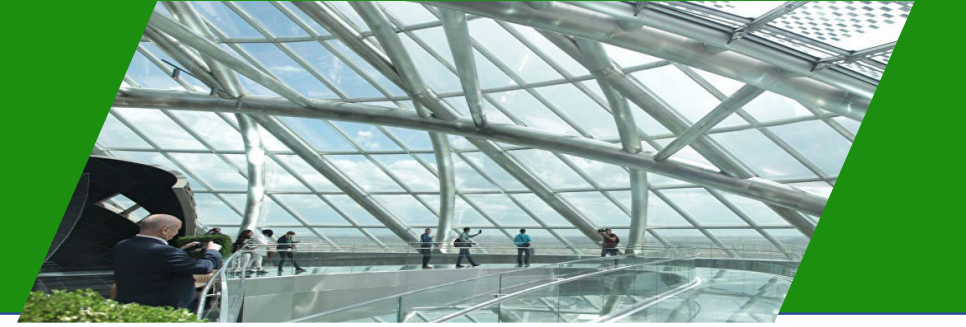
- The Financial Sector Assessment Program (FSAP) Update on Monetary Authority of Singapore (MAS) included assessments of the Basel Committee for Banking Supervision (BCBS) Basel Core Principles for Effective Banking Supervision, International Association of Insurance Supervisors (IAIS) Insurance Core Principles, International Organization of Securities Commissions (IOSCO) Principles and Objective of Securities Regulation and Committee on Payments and Market Infrastructures (CPMI)-IOSCO Recommendations for Securities Settlement Systems and Central Counterparties. The FSAP concluded that Singapore's financial system was highly developed and well-regulated and supervised. Overall compliance with supervisory standards in banking, insurance, securities and financial markets infrastructure was high.
- AFSA has significantly enhanced the legislative framework governing legal entities in the AIFC to: (i) promote the highest standards of corporate governance; (ii) reflect a more effective and coherent structure for the Registrar of Companies; (iii) enhance the framework for supervision and enforcement; (iv) propose an appropriate framework for protecting whistle-blowers; (v) meet international standards set by the Organisation for Economic Co-operation and Development (OECD), the Financial Action Task Force (FATF) and the International Organisation of Securities Commissions (IOSCO); and (vi) meet the needs of AIFC participants by expanding the range of legal entity types available within the AIFC.

# Singapore a Model for AFSA in Alignment with International Standards and Best Practices (cont'd)

- AFSA joined 3 international organisations: IOSCO in April 2018, International Association of Insurance Supervisors (IAIS) in November 2018 and Banking Supervisors from Central and Eastern Europe (BSCEE), a regional group of the Basel Committee on Banking Supervision (BCBS), in November 2018. These three institutions represent the fundamental pillars of financial services regulation – capital markets, insurance and banking.
- Fruitful cooperation continued with the OECD on the exchange of information for tax purposes, with the Islamic Financial Services Board (IFSB) and Accounting and Auditing Organisation for Islamic Finance Institutions (AAOIFI) on Islamic Finance regulation standards and the UN Sustainable Insurance forum on sustainable insurance practices.
- Cooperation with international development finance institutions continued with respect to attracting technical assistance and international expertise as per AFSA's priorities, including the World Bank, the International Monetary Fund and the European Bank for Reconstruction and Development.
- More than 11 bilateral agreements and memorandums on supervisory and regulatory cooperation have been signed with regulators from Asia, Eastern Europe, Africa, Middle East and Caucasasia. In addition, effective working-level contacts have been built with over 10 foreign financial services regulators.



# The World's Best Regulatory Standards



## JANUARY 2017

Registration of an independent regulator of financial and non-financial services provided on the AIFC territory.

## REGULATORY ENVIRONMENT

24 legal acts have been developed. 25 financial activities and 3 market activities are regulated



THE BASEL  
COMMITTEE ON  
BANKING  
SUPERVISION



INTERNATIONAL  
ORGANIZATION OF  
SECURITIES  
COMMISSIONS



ISLAMIC FINANCIAL  
SERVICES BOARD



**IAIS**

INTERNATIONAL ASSOCIATION OF  
INSURANCE SUPERVISORS

INTERNATIONAL  
ASSOCIATION OF  
INSURANCE SUPERVISORS



**AAOIFI**

ACCOUNTING AND AUDITING ORGANIZATION  
FOR ISLAMIC FINANCIAL INSTITUTIONS

ACCOUNTING AND  
AUDITING ORGANIZATION  
FOR ISLAMIC FINANCIAL  
INSTITUTIONS

# Cooperation between AIFCA, AFSA and MAS in Islamic FinTech

- MAS, AFSA and AIFCA have signed a tripartite Cooperation Agreement to boost FinTech ties between Singapore and Kazakhstan. The Agreement provides a framework for cooperation between AFSA, AIFCA and MAS in FinTech innovations including Islamic FinTech, allowing the three authorities to explore possibilities of joint participation in innovative projects and sharing of information on innovation in their respective markets.
- The Global Financial Innovation Network (GFIN) was formally launched in January 2019 by an international group of financial regulators and related organizations, including AFSA and MAS as part of the Coordination Group. GFIN is a network of 38 organizations committed to supporting financial innovation in the interests of consumers.
- GFIN seeks to provide a more efficient way for innovative firms to interact with regulators, helping them navigate between countries as they look to scale new ideas. This includes a pilot for firms wishing to test innovative products, services or business models across more than one jurisdiction.
- GFIN also aims to create a new framework for co-operation between financial services regulators on innovation related topics, sharing different experiences and approaches.



## Multifunctional Area for the Global Community of Investors

STRATEGIC PARTNERS OF THE AIX ARE THE WORLD'S LEADING STOCK EXCHANGES AND FINANCIAL INSTITUTIONS, WHICH WILL HELP INCREASE LIQUIDITY IN THE CAPITAL MARKET, AS WELL AS PROVIDE A MODERN TRADING PLATFORM FOR THE AIFC EXCHANGE:

**Goldman  
Sachs**





# The Advantages of the Financial Centre

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## **TAX OPTIMIZATION**

UNTIL 2066

## **INDEPENDENT**

JUDICIAL SYSTEM

## **INTERNATIONAL**

REGULATORY ENVIRONMENT

## **SPECIAL**

LABOR AND VISA REGIMES.  
SINGLE WINDOW PRINCIPLES

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# Tax privileges

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## **EXEMPTION**

UNTIL 2066

### **CORPORATE INCOME TAX**

FINANCIAL AND ANCILLARY SERVICES

### **INDIVIDUAL INCOME TAX**

FOREIGN EMPLOYEES OF AIFC PARTICIPANTS

### **CIT and IIT**

ON INCOME RECEIVED FROM THE INCREASE IN  
THE VALUE OF SHARES, DIVIDENDS ON SHARES

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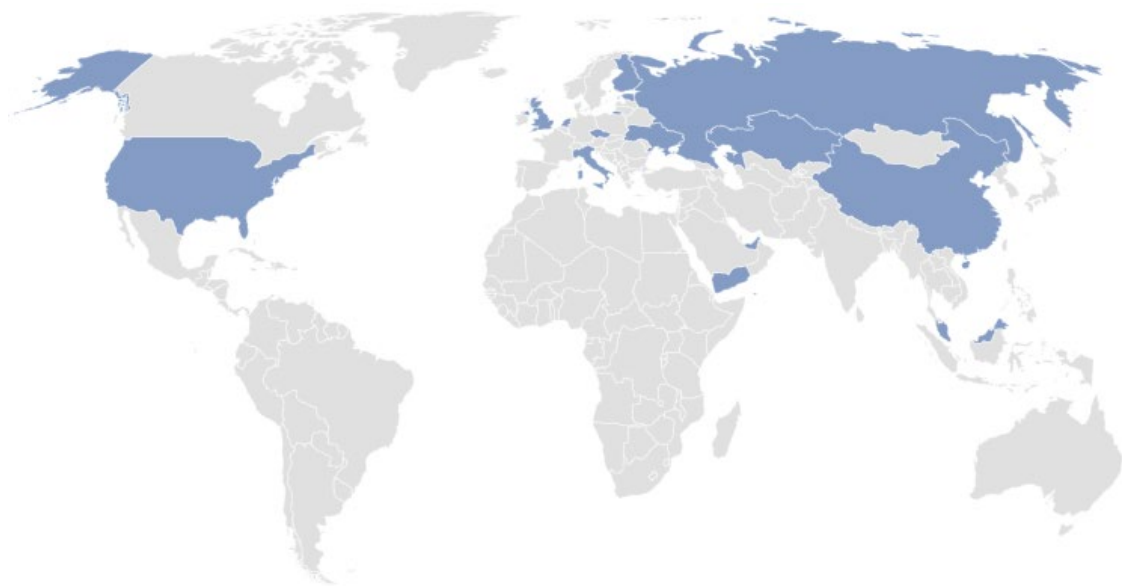




# AIFC Registered Participants

## 235 Companies from 26 countries

REGISTERED AS AIFC PARTICIPANTS



## 22 Brokers

CICC • SHENWAN HONGYUAN SECURITIES HONG KONG • WOOD & COMPANY FINANCIAL SERVICES • TSESNA CAPITAL • BCC INVEST • HALYK FINANCE • TENGRI CAPITAL • FREEDOM FINANCE • KAZKOMMERTS SECURITIES



# Leading Financial Centre in the Region



The Global  
Financial Centres  
Index

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## RANK

### 1<sup>st</sup>

Financial Centre in  
Eastern Europe and  
Central Asia and

ranked **51<sup>ST</sup>** in the  
world according to  
the Global Financial  
Centres Index (GFCI)  
moving 37 positions  
since March 2018

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# AIFC Authority Business Development Group

BUSINESS DEVELOPMENT GROUP HAS BEEN FORMED WITH A SOLE GOAL OF ATTRACTING NEW AIFC PARTICIPANTS AND SUPPORTING EXISTING ONES. THROUGHOUT ITS WORK, THE GROUP WAS ABLE TO BRING IN **TOP CHINESE BANKS, MULTIPLE GLOBAL LAW FIRMS, TECH COMPANIES FROM USA AND EUROPE AS WELL AS SEVERAL INTERNATIONAL ASSET MANAGEMENT FIRMS.**

TO JOIN THE FAST - GROWING  
FINANCIAL HUB PLEASE CONTACT:

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SULTAN CITY, MANGILIK EL, BLDG  
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