

WHAT'S NEW WITHIN THE FRAMEWORK OF LEGAL ENTITIES AT THE ASTANA INTERNATIONAL FINANCIAL CENTRE

ALUMNI Partners law firm highlights that, starting from 1 January 2025, the Astana International Financial Centre (AIFC) has introduced enhancements to the AIFC Legal Entities Framework for the purpose of simplifying corporate processes and boosting the appeal of doing business for its participants¹.

With over 3,500 companies already registered at the AIFC and shareholders in more than 80 countries, the AIFC continues to align its standards with leading global financial hubs such as London, Hong Kong and Dubai.

The Astana Financial Services Authority (AFSA)² has introduced the following key changes:

1 TRANSFER AND REGISTRATION OF SHARES AND DEBT SECURITIES

Public Companies whose securities are traded on investment exchanges recognised by the AFSA and regulated under the rules of such exchanges will no longer be required to issue a written document³ in order to transfer Shares⁴ or Debt Securities⁵.

Prior to this amendment, all AIFC companies, irrespective of their Articles of Association, were not allowed to register a transfer of Shares or Debt Securities unless the recipient provided a written instrument of transfer or the transfer complied with the Rules⁶ permitting confirmation and transfer of ownership without a written document⁷.

So, from 1 January 2025, a written transfer instrument will be required only for Private Companies⁸ and Public Companies⁹ whose securities are traded on exchanges not recognised by the AFSA.

2 NON-CASH CONSIDERATION FOR SHARES IN PUBLIC COMPANIES

Issue of new Shares paid for with non-monetary assets (a non-cash consideration¹⁰) is now exempt from having independent valuation confirmation if the total number of Shares does not exceed 5% of the total share capital¹¹.

3 PUBLIC DEBT OFFERING REGIME FOR PRIVATE COMPANIES

Private Companies will no longer need to obtain approval from the Registrar of Companies¹² to list Debt Securities on investment exchanges recognised by the AFSA¹³.

¹ AIFC Companies Regulations, AIFC Regulations No. 2 of 2017 (with amendments as of 17 October 2024 coming into effect on 1 January 2025) (hereinafter the AIFC Companies Regulations).

² Astana Financial Services Authority is the independent regulator of the Astana International Financial Centre (AIFC), established in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Centre" for the purposes of regulating financial services and related activities in the AIFC.

³ Subsections (6-1), (6-2) of Clause 54 of the AIFC Companies Regulations.

⁴ Share in a Company means a share in the share capital of the Company, whatever class of share it might be.

⁵ Debt Security means a Security of a Company evidencing indebtedness of the Company, whether or not constituting or benefiting from a charge on assets of the Company.

⁶ AIFC Companies Rules, AIFC Rules No. GR0004 of 2017 (with amendments as of 22 September 2024 coming into effect on 1 January 2025).

⁷ Subsection (1) of Clause 54 of the AIFC Companies Regulations.

⁸ Private Company means a body corporate incorporated as or converted to a Private Company under the AIFC Companies Regulations.

⁹ Public Company means a body corporate incorporated as or converted to a Public Company under the AIFC Companies Regulations.

¹⁰ A non-cash consideration for Shares in Public Companies consists of allotment of Shares as Paid-up (in part or in full) for consideration other than cash, subject to certain conditions set out in the AIFC Companies Regulations.

¹¹ Clause 46(3)(g) of the AIFC Companies Regulations.

¹² Registrar of Companies means the individual appointed as the Registrar of Companies under section 9 of the AIFC Companies Regulations.

¹³ Clause 50(3)(e) of the AIFC Companies Regulations.

4 ELECTRONIC DISTRIBUTION OF ANNUAL ACCOUNTS

Companies are now allowed to send annual accounts to their Shareholders¹⁴ by email, eliminating the previous requirement to send them to shareholders' postal addresses¹⁵.

5 LOCATION OF SHAREHOLDER AND BRANCH REGISTERS

AIFC-incorporated companies are required to maintain their Register of Shareholders within the AIFC, even if an agent manages the Register. Failure to do so will result in penalties¹⁶.

Even so, Public Companies are permitted to maintain their branch registers outside the AIFC, including through foreign agents¹⁷.

6 SIMPLIFIED PROCESS FOR VOLUNTARY STRIKE OFF

A non-operating AIFC company may apply for simplified striking of its name off¹⁸ the register of companies without undergoing voluntary winding up procedures and appointing a liquidator under the AIFC Insolvency Regulations¹⁹.

7 REGISTERED EMAIL ADDRESS OF COMPANIES

To improve communication, each AIFC Company is required to maintain a current registered email address and notify the Registrar of Companies of any changes thereto²⁰.

8 CHANGES IN THE REGISTER OF DIRECTORS

The obligation for AIFC companies to notify the Registrar of Companies of any changes in the Register of Directors, including but not limited to residential and email addresses, has been clarified. A resigning director must also notify the Registrar of Companies of their resignation and notify the Company in writing²¹.

9 UPDATED POWERS OF THE REGISTRAR OF COMPANIES

The Registrar of Companies now has the authority to require AIFC companies to address discrepancies in documents submitted and held by the Registrar²².

REDOMICILIATION TO THE AIFC

ALUMNI Partners law firm reminds you the AIFC legal framework allows for redomiciliation, i.e., transfer of a legal entity's registration and operations from one jurisdiction to another, resulting in a change of the governing law of the entity²³.

¹⁴ Shareholder means a Person entered on the Company's Register of Shareholders as the holder of a Share in the Company.

¹⁵ Clause 131(4-1) of the AIFC Companies Regulations.

¹⁶ Clause 55(2) of the AIFC Companies Regulations.

¹⁷ Clause 55-1 of the AIFC Companies Regulations.

¹⁸ Voluntary strike off is the process by which a Company may, subject to certain conditions prescribed by the AIFC Companies Regulations, make an application to the Registrar of Companies to strike its name off the register of companies.

¹⁹ Clause 167 of the AIFC Companies Regulations.

²⁰ Clause 24-1 of the AIFC Companies Regulations.

²¹ Clause 75(2-1), Clause 90(1-1) of the AIFC Companies Regulations.

²² Clause 200-1 of the AIFC Companies Regulations.

²³ Part 13 of AIFC Companies Regulations.

As of mid-January 2025, seven companies have redomiciled to the AIFC. The most recent example is Fix Price Group PLC, which relocated from Cyprus in the summer of 2024. Other notable redomiciled companies include:

- POLYMETAL INTERNATIONAL PLC (Solidcore Resources) from Jersey in 2023;
- Kazakhstan Energy Reinsurance Company Ltd., affiliated with JSC NC KazMunayGas from Bermuda in 2018.

Additionally, Dodo Brands is considering redomiciliation to the AIFC²⁴.

ALUMNI Partners legal updates provide a brief overview of new developments in law and law enforcement, and should not be viewed as a legal opinion or advice.

If you have any questions or comments in relation to this legal update, please contact us and we will be happy to discuss them.



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²⁴ https://forbes.kz/articles/pereezd_v_mftsa_rassmatrivayut_neskolko_kompaniy_bekturov.