



GRATA
INTERNATIONAL

Fintech in Kazakhstan: Legal regulation and legislative trends

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About Fintech in Kazakhstan



- In 2021, Kazakhstan was included in The Global Fintech Index 2021 at 13th place among Asia-Pacific countries
 - Rural population without access to banks and high internet penetration are named as key drivers of fintech development, according to AIFC research
 - Digitalization Programme
 - AIFC as a fintech hub (FinTech Lab, AIFC Tech Hub)
 - Main areas are payment services, money transfers and online lending
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Key fintech market players in Kazakhstan



- - Payment systems and payment services providers
 - - Infrastructure solutions providers for banks and MFOs
 - - MFOs (microfinance organisations)
 - - Banks
 - - Marketplaces
 - - Mobile operators

 - **Regulators**
 - - Agency for Regulation and Development of Financial Market (AFR)
 - - National Bank of Kazakhstan
 - - Astana Financial Services Authority
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Key fintech legislation

Kazakhstan

- Civil Code
- Financial Market Law
- Payments Law
- Informatization Law
- Personal Data Protection Law
- AML Law
- Banking Law
- Microfinance Activity Law
- Electronic Commerce Law
- Telecommunications Law
- Legal Acts of Agency for Regulation and Development of Financial Market, National Bank of Kazakhstan, Astana Financial Services Authority

AIFC

- Constitutional Law on AIFC
- Financial Services Framework Regulations
- General Rules
- Fintech Rules
- AML and Counter Terrorism Financing Rules
- Authorised Market Institution Rules

Kazakhstan or AIFC?



- May an entity licensed in Kazakhstan provide its financial services in AIFC without additional license issued by AIFC regulator?
 - May an entity licensed in AIFC provide its financial services in the rest of Kazakhstan without additional license issued by Kazakh financial regulator?
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Cryptocurrency regulation



- Kazakhstan:

- Issuance and turnover of unsecured digital assets [cryptocurrency] in the territory of Kazakhstan is prohibited, save for the cases established by legislation.
- Currently, it is permitted to be engaged in mining and obtain cryptocurrency, however, all transactions with cryptocurrency are prohibited in "mainland" Kazakhstan.
- Banks are prohibited to be involved in any transaction with cryptocurrency.

- AIFC:

- Crypto exchanges legally operate (ATAIX Eurasia, Biteeu Eurasia, Xignal&MT Ltd etc) with Bitcoin, Ethereum and Tether
 - Crypto exchanges can open bank accounts
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Key Issues for Further Development



- - Absence of qualified specialists in the high technology area used for the provision of financial services
 - - Outdated legal and regulatory framework
 - - Absence of clear coordination among the regulators, with their potentially different approaches
 - - Weak cybersecurity
 - - Security of IP rights
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**Thank you for
your attention!**

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