

New financial oasis shines in Kazakh capital

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A little more than two months ago, the first Astana International Financial Center (AIFC) was opened in the capital of Kazakhstan. So far, 55 participants have registered at the center, but Kazakhstan authorities believe over 500 companies will participate by 2020 in the AIFC. But how feasible is such a plan?

The building of the financial center "Astana" is familiar to every Kazakh. The center works on the infrastructure of the international exhibition Expo 2017 and seems to have adopted progressive ideas from its predecessors. Getting into the AIFC gives you the feeling of being in a former post-Soviet country. But this was what its creators sought. Kazakh President Nursultan Nazarbayev wants AIFC should become an international financial hub in Eurasia.

The idea of creating a stock exchange came from Kazakh authorities three years ago. And it needed the political will of the leadership: Kazakhstan even rewrote the constitution. A new item appeared in the main law of the country. Within Astana, a special legal regime can be established in accordance with constitutional law. I want to dwell on this in greater details.

By creating a financial center in their country, Kazakhs have adopted the experience of other countries - the UAE, China, the US and Singapore. But Kazakhstan needed to show the world that it is possible to create such a financial oasis on the basis of English law. And the status of AIFC judges, people who guarantee protection of the rights and interests of foreign investors, only emphasizes the country's desire to have a perfect image, which would be guided by large, transnational companies. The mission of the court is registered on the official site of the AIFC: to create and develop a completely independent common law judicial system for the prompt resolution of civil and commercial disputes, characterized by reliability, fairness and accessibility, unconditional application of the rule of law and flexibility, which meets the needs of international business.

And among the goals I would like to single out this : to promote the growth of regional trade by increasing confidence in the administration and access to justice in the AIFC, Kazakhstan, the Eurasian region and globally. The name of the chairman of the court of the international financial center, Lord Woolf, is mentioned under this text. Lord Harry Kenneth Woolf is one of the most influential figures in British legal history. He is the Supreme Court Judge of England and Wales, the first president of the Court of the Qatar International Financial Center, ex-judge of the Court of Appeal in Hong Kong, and ex-Chairman of the Legal Committee of the Bank of England's Financial Market.

In Kazakhstan, Lord Woolf will work with eight other British lawyers and judges, all of them real stars of international law. For example, the AIFC advisory council was headed by the royal lawyer Michael Blair, and among the judges, in addition to Woolf, is the ex-minister of Justice of Great Britain Edward Folks, Sir Jack Beatson and Sir Rupert Matthew Jackson. To dispense quality justice, the decision of the lawyers of the AIFC is a priority, and the court of the center is autonomous.

As strategic partners of Astana International Exchange, Kazakhstan managed to attract the Shanghai Stock Exchange and the American NASDAQ. At the same time, Chinese experts, as the main shareholders, will assist in strategic and business planning, technology consulting and developing a strategy for expanding the market. NASDAQ will help in the development of technology for easy access by investors. According to AIFC Governor Kairat Kelimbetov, the international center is already cooperating with major financial institutions - the World Bank, the IMF, the EBRD, ADB, the Asian Infrastructure Investment Bank and the new Development Bank of the SCO countries.

AIFC has been given ambitious targets: assistance in attracting investments, creating a special environment for investing in financial services, developing the securities market of Kazakhstan, insurance, banking services, and the Islamic finance market. AIFC intends to provide a full line of products.

Kazakhstan intends to list shares of national companies on the exchange: Air Astana, Kazatomprom, Kazakhtelecom JSC, KazMunayGas, Samruk-Energo, Kazpost, Tau-Ken Samruk, Qazaq Air. In one of the interviews devoted to the opening of the AIFC in Kazakhstan, a representative of the international consulting company Control Risks, Timothy Stanley said that the work of the financial center will influence not only the economy of the country, but also its political image.

Kazakhstan carries in itself minimal political risks. The country has a relatively low sovereign debt with the possibility of servicing it. Though it does not have sufficient raw materials, it strives for diversification and for developing large businesses. American economist and Pulitzer Prize winner Daniel Yergin has aptly described the mission of the international financial center as a place where the money and its owners feel comfortable. The world has a new financial bridge between Europe and Asia.

According to preliminary forecasts by Kazakh authorities, the AIFC will be able to attract about \$2 billion. Plans by Kazakh authorities are grandiose and quite feasible. Competition for investors is becoming increasingly tough and only the product that meets the requirements of the modern times will be able to draw investment.

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