

PRESS RELEASE

Kazakhstan adopts Law on Islamic Finance

(Law on organisation and operations of Islamic banks and Islamic financing)

Kazakhstan became the first CIS country to develop legal framework for Islamic finance.

The importance of legal framework for Islamic finance in Kazakhstan emerged few years ago and was well supported by Government bodies and private sector. In 2007 the Agency of the Republic of Kazakhstan on Regulation of Activities of the Regional Financial Centre of Almaty City (ARA RFCA) created a working group including both state bodies' representatives and market players. RFCA attracted special grant from the Islamic Development Bank and invited best experts from the worldwide to ensure top level expertise.

In 2008 the working group led by the Agency of the Republic of Kazakhstan on Supervision and Regulation of Financial Market and Financial Organizations (FSA) worked out draft law on Islamic finance and submitted it to the Parliament.

The Law creates important conditions and legal framework required for Islamic financial instruments, operations of Islamic banks, Islamic special purpose vehicles and Islamic investment funds. Islamic financing is one of the promising directions of the Kazakhstan securities market development.

The Law on Islamic finance will help Kazakhstan to further explore country's leadership as the center for international investments in the CIS and Central Asian region. It will also help Almaty, already the business and financial hub of the region, to become the center of Islamic finance of Central Asia. The Law expands investment opportunities between Kazakhstan and the Middle East and South-East Asia.

As part of its ongoing efforts to raise financial literacy of the country's population RFCA also consults common people on Islamic finance by free phone 8-800-0800117 and via 17 Info-Educational Centers established in each and every region of Kazakhstan.

The RFCA Academy (SII registered Academy of Securities Markets) added special seminar on Islamic Finance to its list of 50 plus educational courses and programs providing now training in Islamic finance to market players, regulators and others.

Editors Notes:

- Today Islamic financing sector is the fastest growing sector in the world. More than 300 financial institutes operate in some 85 countries. With 15-20 % annual growth Islamic assets account for approximately 1 % of global banking asset \$450 billion and are expected to reach \$1 trillion by 2010.

- The Regional Financial Centre of Almaty city (RFCA) was established in 2006 by the initiative of Nursultan Nazarbayev, President of Kazakhstan. RFCA's

main tasks are to develop Kazakhstan's securities market and develop Almaty as the business and financial hub in the Caspian and Central Asia.

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