

**CASE STUDY RESEARCH:**  
***Impact of COVID-19 Pandemic on Business Registries***

The European Business Registry Association (EBRA), together with our peer organizations International Association of Commercial Administrators (IACA), Corporate Registers Forum (CRF) and ASORLAC, is seeking member feedback on the impact of the COVID-19 Pandemic on business registries.

Therefore, we ask that you briefly answer the following questions by close of business on **2<sup>nd</sup> April 2021**. We are looking for descriptive and specific answers, but please quantify where possible.

We will publish the Case Studies in full, and we will provide short commentary identifying themes and common threads across organizations.

Should you need any clarifications or have any practical questions, please contact please contact us at [survey@ebra.be](mailto:survey@ebra.be).

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***Country\*: Kazakhstan***

***Jurisdiction: Jurisdiction of the Astana International Financial Centre (AIFC)***

***Institution\*: Astana Financial Services Authority (AFSA)***

***1. COVID-19 in your country***

AIFC is self-contained jurisdiction for commercial, financial and civil matters within Kazakhstan. The largest impact of the pandemic was seen during the first half of 2020 when registrations dipped slightly. Rapid increase in registrations during the fourth quarter of 2020 has been seen. The increase can also be explained by the fact that market confidence returned by the end of the year. Overall, 294 new AIFC Participants were registered during 2020, which is 11% higher than during the previous period (264 firms in 2019).

***2. Impact of COVID-19 on workload and operations***

In the light of situation with coronavirus pandemic, we transitioned to remote work from 16 March 2020. In general, Office of Registrar of Companies was ready for the new working format. The pandemic influenced the corporate culture and business

processes of the Office.. Currently most of our employees are still working remotely, keeping only 20% of employees visiting office premises.

We have fully automated the registration process since 1 September 2020. No personal meetings, mails or hardcopies are required now. By virtue of automation, the registration turnaround time has been reduced from 3 working days to 0,5 day. Currently, our team also is in the process of implementation of automated post-registration services such as annual filings, change in registered details, issuance of register extracts etc.

In general, a sharp decrease in business activity has occurred in the first and second quarters of 2020. Normally we register around 90 companies during each quarter, but in the first and second quarters the number of registered firms reached only 60.

### **3. Impact of COVID-19 on development projects and strategy**

#### **Fast automation.**

Considering that the most of processes of the Office of the Registrar of Companies are closely engaged with the Department of Justice of Kazakhstan, the Registrar of Companies sought alternative solutions for submission of documents. The Registrar of Companies took timely measures to avoid suspension of the registration and post-registration processes. First of all, as soon as AFSA transitioned to remote work, all employees of the Office obtained electronic digital signatures (“EDS”) for legal entities in the E-Government system<sup>1</sup>. EDS for legal entities has allowed employees to authorise in the Doculite<sup>2</sup> system and integrate with the ‘Unified electronic document management system of state bodies. That is, such temporary automation solution retained the communication and document management between the Department of Justice and the Office. Furthermore, implementation of the Doculite system also served as a solution of electronic signature of internal documentation of the Office, which is very convenient and less time-consuming. Since the processes has been automated, we were technically ready for remote work. We believe that such temporary automation may be applied until the full automation.

#### **Corporate culture.**

The pandemic unquestionably affected corporate culture of the Office of the Registrar of Companies. Self-sufficiency, and level of responsibility of each employee increased. During the past year employees were driven by outcomes-based performance, requiring less supervision from the superiors. The whole working process aims at self-motivation, trust, and self-control. In general, the existing practice has a positive effect

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<sup>1</sup> E-Government of the Republic of Kazakhstan is a single mechanism of state and citizens cooperation, also state bodies with one another, which enables its concerted activity over the help of information technologies.

<sup>2</sup> Doculite system is an electronic document management system allowing to automate all key business processes of SMEs and interact with governmental authorities and foreign partners by means of electronic communication.

when an employee is aware that his responsibility, discipline, and commitment directly affect the result of the entire Office.

#### **4. COVID-19 and companies**

In order to support small and medium-sized enterprises (SMEs) the Registrar has taken series of measures in relation to monitoring and enforcement activities of registered companies.

##### *Temporary suspension of Written Notices.*

The Registrar's mandate include sending Preliminary Notices and Written Notices to those AIFC Participants, who has contravened provisions of the AIFC legal acts and do not comply with their obligations to the Registrar. During the quarantine regime in the country, we have temporary suspended sending any Notices by post. Over the past two months, only notifications as a reminder of certain obligations were sent to the AIFC registered entities

##### *Remission of fines.*

The Registrar made a decision temporary not to impose fines against AIFC Participants for the late filing or postpone unless the economy situation stabilises.

##### *Temporary suspension of enforcement activities.*

Also, during a pandemic the Registrar have suspended any enforcement activities against AIFC registered entities.

##### *Postpone the requirement of hardcopies submission.*

In the current circumstances, it is obvious that it's almost impossible or very inconvenient to submit hardcopies of documents for registration or post-registration. Therefore, we considered it appropriate to postpone the requirement of any hardcopies. During that period, employees were processing applications based on softcopies, on the condition that hardcopies will be delivered when the situation is back to normal.

#### **5. The "New Normal"**

In general, our main priority for the nearest future is a full automation of all internal and external processes.

Our vision of full digitalization includes:

- maximum logic system, minimum of requested information;
- all-in-one self-services personal account for an applicant;
- instant company registration maximally excluding human involvement;
- automated interactions between our divisions;
- post-registration and monitoring (automated notifications, written notices etc.)
- uploading reports, statistics and dynamics;
- multifunctional public register.

In addition, we are also considering integrating our system with local banks, Tax Authority of Kazakhstan, the Agency of Statistics in order to provide AIFC registered companies with the opportunity to open banking account, submit tax reports and statistics reports to the local authorities online using our platform.

6. Please share anything else you find relevant in the context of coping with the COVID-19 pandemic that you haven't mentioned before. If you would like to submit any supporting information related to your response, please e-mail your file to [survey@ebra.be](mailto:survey@ebra.be), with clear reference to your country and jurisdiction.

## 7. Contact details

Please provide contact details (name and e-mail address) for the author of the case study for your jurisdiction. Please be advised that the contact details will be published and shared together with the content:

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