

On Economic Partnership

Unofficial translation

The Law of the Republic of Kazakhstan dated 2 May, 1995 No. 2255.

Unofficial translation

Footnote. Throughout the text of Charter, the word “fund” in all cases shall be respectively substituted by the word “capital”; chapters III and IV shall be excluded, chapter V shall be considered as chapter III, Articles 54-79 shall be respectively considered as Articles 37-62 by the Law of the Republic of Kazakhstan dated 22 April, 1998 No. 221.

Footnote. The form of the act and title are amended by the Law of the Republic of Kazakhstan dated 19 February, 2007 No. 230 (the order of enforcement See Article 2).

Footnote. The Preamble is excluded by the Law of the Republic of Kazakhstan dated 19 February, 2007 No. 230 (the order of enforcement See Article 2).

Footnote. Throughout the text, the word “Charter” is respectively substituted by the word “the Law” by the Law of the Republic of Kazakhstan dated 19 February, 2007 No. 230 (the order of enforcement See Article 2).

Section 1. General provisions

Article 1. Basic definitions on economic partnership

1. Economic partnership shall be commercial organization that is a legal entity with a charter fund, divided into contributions (shares) of incorporates (participants), the major purpose of which is the deriving of profit.

2. Economic partnerships may be established in the form of full partnership, kommandit partnership, limited liability partnership, additional liability partnership.

3. *Is excluded by the Law of the Republic of Kazakhstan dated 21.06.2013 No. 106-V (shall be enforced upon expiry of ten calendar days after its first official publication).*

Footnote. Article 1 as amended by the Laws of the Republic of Kazakhstan dated 11 July, 1997 No. 154; dated 16 May, 2003 No. 416; dated 21.06.2013 No. 106-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 2. The legislation on economic partnership

1. The legislation of the Republic of Kazakhstan on economic partnerships shall be based on the Constitution of the Republic of Kazakhstan and consist of this Law and other regulatory legal acts of the Republic of Kazakhstan.

2. If the international treaty, ratified by the Republic of Kazakhstan established the other rules than those, provided by this Law, the rules of international treaty shall be applied.

3. Minimum size of a charter fund, special aspects of its formation and use, legal regime of property, restrictions of economic activity of special types of commercial organizations, confirmed in the form of economic partnerships together with this Law, shall be regulated by special legislative acts or in the manner, established by the special legislative acts.

The general rules on economic partnerships, contained in this Law shall be applied to special types of economic partnerships in recognition of special aspects, established by the legislative acts of the Republic of Kazakhstan, regulating their activity.

Footnote. Article 2 as amended by the Laws of the Republic of Kazakhstan dated 19 June, 1997 No. 134; dated 19 February, 2007 No. 230 (the order of enforcement See Article 2).

Article 3. Participants of economic partnership

1. Only citizens may be the participants of full partnership and full partners in a kommandit partnership.

2. A citizen may be the participant of only one full partnership or full partner in one kommandit partnership.

3. Full partnership shall include not less than two participants.

4. Citizens and legal entities may be the participants of a limited liability partnership, additional liability partnership and depositors in a kommandit partnership.

The state participation in economic partnerships and special aspects of their management shall be determined by the Law of the Republic of Kazakhstan “On state property”.

5. Limited liability partnership, additional liability partnership may be established by one person or may consist of one person in case of acquisition of all shares of a partnership’s charter fund by this person.

6. Foreign states, international organizations, foreign legal entities and citizens, as well as stateless persons shall participate in economic partnerships, established in accordance with this Law, on a common basis, unless otherwise provided by the legislative acts.

Footnote. Article 3 as amended by the Laws of the Republic of Kazakhstan dated 16.05.2003 No. 416; dated 01.03.2011 No. 414-IV (shall be enforced from the date of its first official publication).

Article 4. Constitutive documents of economic partnership. State registration of economic partnership

1. The constitutive documents of an economic partnership shall be the memorandum and charter.

Small, medium and large business entities established in the legal form of a business partnership may engage in business activities based on a standard charter, the content whereof is specified by the Ministry of Justice of the Republic of Kazakhstan.

2. The charter shall be the constitutive document of an economic partnership that is constituted by one person.

3. Content of the memorandum of an economic partnership shall be the commercial secret . The memorandum shall be subject to submission to state or other official bodies, as well as

to third parties only by decision of participants of economic partnership or in the cases, established by the legislative acts.

All interested persons shall have the right to learn the charter of an economic partnership.

4. The memorandum of an economic partnership shall be signed by all its participants.

5. The charter of an economic partnership shall be signed by an incorporator, appointed in accordance with the memorandum by an administrator of this partnership, or by a person appointed as his (her) first director (chief executive officer) by participants of an economic partnership, unless otherwise provided by the legislative acts.

The charter of an economic partnership, an incorporator of which shall be one person, shall be signed by this incorporator.

6. Is excluded by the Law of the Republic of Kazakhstan dated 24.12.2012 No. 60-V (shall be enforced upon expiry of ten calendar days after its first official publication).

7. According to the memorandum, incorporators shall be obliged to establish an economic partnership, establish standard operating procedures on its establishment and determine conditions: of transferring owned property in a property of a partnership; conditions in its activity; distribution of profit and losses between incorporators; management of its activity; cessation of its membership; on number of shares of each of incorporators; on amount, content, terms and procedure for making contributions by them; responsibility of incorporators for the breach of obligations on making contributions; on size and content of the charter fund.

The memorandum of an economic partnership shall contain the list of participants of a partnership, specifying the last name, first name and patronymic (in its existence), place of residence and information of the document, certifying identity, incorporators that are individuals, as well as the names and location areas of incorporators that are legal entities.

The memorandum may contain other information, provided by the legislation or incorporators.

8. The charter of an economic partnership shall be confirmed by incorporators, that is reflected in the memorandum.

Type of partnership, its name, location area, term of activity (if it is established upon its establishment), powers of a head, administrating and control authorities, their competence, order of formation of property, procedure for distribution of profit and compensation of losses , procedure and terms of presentation of the documents and information on activity of a partnership to participants of a partnership, as well as information on activity of a partnership to acquirers of shares; the name of mass media, used for publication of information on activity of a partnership; rights and obligations of participants of a partnership, order of confirmation of the documents, regulating internal activity of partnership, and procedures of their adoption, procedure for adopting decisions by bodies of partnership and their

cancellation, conditions of termination of activity (reorganization or winding-up) of a partnership, as well as mutual relationship between a partnership and incorporators (participants), shall be determined in the charter of an economic partnership.

The charter of an economic partnership shall contain the list of participants of a partnership (with the exception of the partnership, the maintenance of participants' register of which shall be carried out by a professional participant of securities market, carrying out activity on maintaining the system of registers of security holders), specifying the last names, first names and patronymics (in their existence), location area and information of the document, certifying identity (for individuals), as well as the names and location areas (for legal entities).

The charter may contain the other provisions, provided by the Laws of the Republic of Kazakhstan or incorporators.

9. Apart from conditions, mentioned in paragraphs 7 and 8 of this Article, the constitutive documents shall also contain conditions, provided by this Law for the relevant types of partnerships.

10. In the absence of conditions, provided by paragraphs 7, 8 and 9 of this Article, the constitutive documents shall be recognized as invalid upon demand of state bodies that are granted by this right by the legislative acts, as well as upon demand of other interested persons in judicial proceeding.

11. After the state registration of an economic partnership, incorporators shall be the participants of a partnership.

12. The list and content of the constitutive documents of special types of commercial organizations that are not provided by this Law, confirmed in the form of economic partnerships, shall be determined by the legislative acts on these organizations.

13. The state registration of economic partnerships shall be carried out in the manner, established by the legislation of the Republic of Kazakhstan on the state registration of legal entities and record registration of the branches and representations.

Special aspects of the state registration of economic partnerships with the participation of foreign states, international organizations, foreign legal entities and citizens, as well as stateless persons shall be determined by the legislation of the Republic of Kazakhstan.

Footnote. Article 4 as amended by the Laws of the Republic of Kazakhstan dated 19.06.1997 No. 132-1; dated 22.04.1998 No. 221; dated 16.05.2003 No. 416; dated 19.02.2007 No. 230 (the order of enforcement See Article 2); dated 04.07.2008 No. 54-IV (the order of enforcement See Article 2); dated 20.01.2010 No. 239-IV; dated 25.03.2011 No. 421-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2011 No. 524-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 24.12.2012 No. 60-V (shall be enforced upon expiry of ten calendar days after its first official publication); No. 75-VII of 24.11.2021 (shall be brought into force ten calendar days after the date of its first official publication).

Article 5. Property of an economic partnership

1. Property of an economic partnership shall be the basic funds and circulating assets, as well as the other property, the cost of which shall be reflected in autonomous balance sheet of a partnership.

2. Property shall belong to economic partnership as a property.

3. Sources of formation of property of an economic partnership shall be:

- 1) the contributions of the participants to the charter fund;
- 2) the incomes, earned from its activity;
- 3) the other sources, not prohibited by the legislative acts.

Article 6. The charter fund of an economic partnership

1. Accumulation of contributions shall form the charter fund of an economic partnership.

2. A contribution to the charter fund of an economic partnership may be money, securities, items of property, property rights, as well as land use right and right to results of intellectual activity and other property.

Making the contributions in the form of personal non-property rights and other non-material values shall not be allowed.

3. In the cases, when the right to use of property is transferred in the capacity of contribution to partnership, the amount of this contribution shall be determined by payment for use, estimated for the whole term, mentioned in the constitutive documents.

The risk of accidental loss or property damage, transferred in use of a partnership, shall be imposed on the participant, transferred this property, unless otherwise provided by the constitutive documents.

4. Contributions of founders (participants) to the charter capital in kind or in the form of property rights shall be assessed in cash by agreement of all founders or by decision of the general meeting of the partnership. If the value of such a contribution exceeds the amount equivalent to twenty thousand monthly calculation indices, its assessment must be confirmed by an appraiser.

5. Reduction of the charter fund of an economic partnership shall be allowed only after a personal written notification of all the creditors. In this case, the creditors shall have the right to demand the early termination or fulfillment of the relevant obligations and compensation of losses to them.

6. Reduction of the charter fund lower than minimum size, determined by this Law and other legislative acts for special types of economic partnerships shall not be allowed.

Reduction of the charter fund in violation of the order, determined by paragraphs 5 and 6 of this Article shall be the basis for winding-up of an economic partnership under the court decision upon an application of interested persons.

7. The procedure and terms of making contributions to the charter fund, as well as responsibility for non-fulfillment of the obligations on formation of the charter capital shall be determined by the legislative acts and (or) constitutive documents.

Footnote. Article 6 as amended by the Laws of the Republic of Kazakhstan dated 15 July, 1996 No. 30-1; dated 11 July, 1997 No. 154; dated 22 April, 1998 No. 221; № 217-VI as of 21.01.2019 (shall be enforced ten calendar days after its first official publication).

Article 7. Shares of participants in a property of economic partnership

1. Shares in property of all the participants of an economic partnership shall be proportional to their contributions to the charter fund.

2. Shares in property of participants of an economic partnership shall be calculated in terms of percentage points.

3. Participants of an economic partnership may determine the other order of determination of their shares in property of a partnership in comparison with this Article.

4. A participant in an economic partnership has the right to pledge and (or) sell his/her share or part in the partnership's property (charter capital), unless otherwise provided for by the legislative acts of the Republic of Kazakhstan or constituent documents. An agreement on the alienation (assignment) of the right of an outgoing participant in an economic partnership to a share in the partnership's property (charter capital) or part thereof, to which an individual is a party, shall be notarized.

Footnote. Article 7 as amended by the Laws of the Republic of Kazakhstan dated 16.05.2003 No. 416; dated 24.12.2012 No. 60-V (shall be enforced upon expiry of ten calendar days after its first official publication); № 49-VI as of 27.02.2017 (shall be enforced ten calendar days after its first official publication).

Article 8. Management of an economic partnership

1. The supreme body of an economic partnership shall be the general meeting (meeting of representatives) of its participants.

2. Executive body (collegial or (and) individual), carrying out current control of activity of an economic partnership and accountable to the general meeting of its participants shall be established in an economic partnership.

Individual body of administration may be elected not from among its participants.

3. In the capacity of collegial bodies, it may be established as follows:

1) a head office (front office);

2) a supervisory board;

3) other bodies by decision of the general meeting (meeting of representatives) of participants of an economic partnership.

4. The general meeting of participants shall have the right to establish an audit commission for monitoring of activity of executive body.

4-1. In cases where an economic partnership is declared bankrupt or the rehabilitation procedure is applied and a temporary or bankrupt or rehabilitation manager is appointed in accordance with the procedure established by the legislative act of the Republic of Kazakhstan on rehabilitation and bankruptcy, all powers to manage it shall pass to the temporary or bankrupt or rehabilitation manager, respectively.

5. The competence of bodies of administration of an economic partnership, order of their election (assignment), as well as order of adopting decisions by them shall be determined by this Law, legislative acts and constitutive documents.

Footnote. Article 8 as amended by Law of the Republic of Kazakhstan № 177-V as of 07.03.2014 (shall be enforced ten calendar days after its first official publication).

Article 8-1. Delivery of information by an economic partnership

1. Economic partnership shall be obliged to deliver information on activity of a partnership that concerns the interests of its participants, upon demand of its participants.

Information, concerning the interests of participants of an economic partnership shall be recognized as follows:

1) decisions, adopted by the general meeting of participants of a partnership, executive body, audit commission (inspector) of a partnership and information on execution of adopted decisions;

2) procurement of a loan by a partnership in amount of twenty five and more percent of amount of the partnership's shareholder capital.

3) consummation of major transaction or series of transactions linked together by a partnership, in the result of which a property shall be obtained or alienated to the sum of twenty five and more percent of amount of the partnership's shareholder capital;

4) obtaining licenses on carrying out any activity and (or) commission of particular actions, suspension or termination of their activity, as well as forfeiture of a license, previously received on carrying out any activity and (or) commission of particular actions by a partnership;

5) attachment of property of a partnership;

6) occurrence of the circumstances, carrying a special nature, in the result of which, the property of a partnership was destroyed, the balance sheet value of which was ten or more percent of general amount of society assets;

7) bringing the partnership to administrative responsibility and (or) its officials to criminal or administrative liability;

8) decision on judicial restructuring of a partnership;

9) auditors' report (in its existence);

9-1) information on institution of the case on corporative dispute;

10) other information, affecting the interests of participants of a partnership in accordance with the charter of a partnership.

2. Delivery of information on activity of an economic partnership, affecting the interests of its participants, shall be carried out in accordance with this Law and the charter of a partnership, unless otherwise provided by the Laws of the Republic of Kazakhstan.

Information on institution of the case on corporative dispute shall be delivered to participants in the manner, provided by decision of the general meeting of participants (unless otherwise provided by the constitutive documents), not later than seven business days from

the date of receiving the relevant certificate of service or invocation on civil action on corporative dispute by an economic partnership.

3. Delivery of information on activity of an economic partnership to acquirers of shares shall be carried out in accordance with the charter of a partnership. The order of delivery and volume of information shall be established by the charter and preliminary contract on acquisition of shares.

Footnote. The Law is supplemented by Article 8-1 in accordance with the Law of the Republic of Kazakhstan dated 19.02.2007 No. 230 (the order of enforcement See Article 2); as amended by the Laws of the Republic of Kazakhstan dated 05.07.2008 No. 58-IV (the order of enforcement See Article 2); dated 01.03.2011 No. 414-IV (shall be enforced from the date of its first official publication); № 227-V as of 03.07.2014 (shall be enforced from 01.01.2015).

Article 8-2. Documents on activity of an economic partnership

1. The documents of an economic partnership, concerning its activity shall be subject to storage by a partnership within the whole term of its activity at location area of executive body of a partnership or in the other place, determined by its charter.

2. The following documents shall be subject to storage:

- 1) the charter of a partnership, modifications and additions, introduced to the charter of a partnership;
- 2) protocols of constitutional conventions;
- 3) the memorandum, modifications and additions, introduced to the memorandum;
- 4) *is excluded by the Law of the Republic of Kazakhstan dated 24.12.2012 No. 60-V (shall be enforced upon expiry of ten calendar days after its first official publication);*
- 5) *is excluded by the Law of the Republic of Kazakhstan dated 19.03.2010 No. 258-IV;*
- 6) licenses for partnership to do particular types of activity and (or) commission of particular actions;
- 7) the documents, certifying the rights of a partnership on property, that is (was) on its balance;
- 8) provision on branches and representatives of a partnership;
- 9) protocols of the general meetings of participants of a partnership, the materials on the issues of order of the day of the general meetings of participants of a partnership.
- 10) the lists of participants of a partnership, presented for conducting the general meeting of participants of a partnership;
- 11) materials on the issues of order of the day of supervisory board, the protocols of sessions (decisions of meetings by correspondence) of the supervisory board;
- 12) protocols of sessions (decisions) of executive body.

3. Other documents shall be stored within the term, determined in accordance with the legislation of the Republic of Kazakhstan.

4. Partnership shall be obliged to present the copies of documents to participant of an economic partnership, upon his (her) demand, provided by this Law, in the manner, provided by the charter of a partnership.

Footnote. The Law is supplemented by Article 8-2 in accordance with the Law of the Republic of Kazakhstan dated 19.02.2007 No. 230 (the order of enforcement See Article 2); as amended by the Laws of the Republic of Kazakhstan dated 19.03.2010 No. 258-IV; dated 24.12.2012 No. 60-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 9. Termination of an economic partnership

1. Economic partnership shall be terminated:

- 1) upon expiry of the term, on which an economic partnership was established;
- 2) upon achievement of objective, for which it was established;
- 3) under agreement between participants;
- 4) in case of adjudication in bankruptcy of an economic partnership in established manner

;

5) in other cases, provided by this Law, other legislative acts or constitutive documents of an economic partnership.

2. Termination of an economic partnership shall be conducted by reorganization (merger, connection, dissolution, reformation) or winding-up.

Upon the reorganization of an economic partnership, the required amendments shall be introduced in the constitutive documents of a partnership and the National register of business identification numbers, and upon the winding-up – the relevant data to the National register of business identification numbers.

3. Economic partnership of one type may transform into an economic partnership of another type or into production cooperatives by decision of the general meeting of participants in compliance with the provisions of this Law.

4. Upon the reformation of full or kommandit partnership into joint stock company, limited or additional liability partnership, each full copartner, that became the participant of a joint stock company, limited or additional liability partnership shall bear subsidiary liability by all his (her) property on the obligations, transferred to joint stock company, limited or additional liability partnership from full or kommandit partnership within two years. Alienation of the capital stock (shares) by former full copartner, belonged to him (her) shall not release from this responsibility.

5. The liquidation of an economic partnership is carried out by the liquidation commission appointed by its participants, and in the event of bankruptcy - by the bankruptcy manager.

Winding-up committee shall perform a publication on the coming winding up of an economic partnership in the manner and terms, established by the Civil Code of the Republic of Kazakhstan.

6. From the date of appointment of a winding-up committee, it shall receive the powers on administration of affairs of an economic partnership.

Winding-up committee shall assess available assets of an economic partnership, expose creditors and settle accounts with them, make the liquidating balance and present it to participants of a partnership.

Claims of creditors shall be satisfied in accordance with the Civil Code of the Republic of Kazakhstan, the legislative act of the Republic of Kazakhstan on rehabilitation and bankruptcy, and other legislative acts of the Republic of Kazakhstan.

7. Residual property of an economic partnership after the settlement of payments for labour of employees of a partnership, as well as compensatory payments, provided by the legislative acts, and fulfillment of obligations to budget and creditors of a partnership shall be divided between its participants proportionally to their contributions in the charter fund of a partnership or in other order, provided by the constitutive documents.

8. When an economic partnership is liquidated, its liquidation balance sheet shall be submitted to the “Government for Citizens” State Corporation, on the basis of which a relevant record on the partnership’s liquidation is entered into the National Register of Business Identification Numbers

9. Winding-up shall be recognized as completed, and economic partnership – as terminated its activity from the date of making the entries on this in the National register of business identification numbers.

Footnote. Article 9 as amended by the Laws of the Republic of Kazakhstan dated 15.07.1996 No. 30; dated 24.12.2012 No. 60-V (shall be enforced upon expiry of ten calendar days after its first official publication); № 177-V as of 07.03.2014 (shall be enforced ten calendar days after its first official publication); № 241-VI as of 02.04.2019 (shall be enforced from 01.07.2019).

Section II. Special aspects of certain types of economic partnerships

Chapter I. Full partnership

Article 10. Concept of a full partnership

Full partnership shall be an economic partnership, participants of which shall jointly and severally bear responsibility on its obligations, in deficiency of property of a full partnership by all property belonging to them.

Article 11. Rights and obligations of participants of a full partnership

1. Participants of a full partnership shall have the right to:

1) participate in administration of a full partnership in the manner, prescribed by this Law and constitutive documents of a partnership, as well as participate in the distribution of profit, earned by a partnership;

2) receive full information on activity of a full partnership, as well as inspect accounting and other documents of a partnership;

3) gain the profit from activity of a full partnership, depending on number of their shares in property of a partnership, unless otherwise provided by the constitutive documents;

4) withdraw from a full partnership in established order;

5) receive a portion of its property, relevant to their share in property of a partnership, remained after settlement of accounts with creditors, or its cost in case of winding-up of a full partnership;

6) dispute decisions of bodies of a partnership in judicial proceeding, offending their rights, provided by this Law and (or) the charter of a partnership.

2. Participants of a full partnership may have the other rights, provided by this Law, other legislative acts and constitutive documents of a partnership.

3. The waiver of the rights provided for by this Law and other legislative acts for participants in a full partnership, or their restriction, also by agreement of the participants in the partnership, shall be null and void.

4. Participants of a full partnership shall be obliged:

1) to comply with the constitutive documents of a full partnership;

2) to participate in activity of a full partnership in the manner, prescribed by the constitutive documents, as well as to conduct the cases on behalf of a partnership or provide assistance for it in carrying out of activity;

3) to make contributions in the manner, by means and in amount, provided by the constitutive documents of a full partnership;

4) to refrain from consummation of transactions in its own name and in its interests, uniform subjects that are the subject matter of activity of a partnership;

5) not to disclose information, that declared as commercial secret by a full partnership;

6) to inform an executive body of a partnership on changing the place of residence and document details, certifying identity in a written form.

5. Participants of a full partnership may incur the other obligations, provided by this Law, other legislative acts and constitutive documents.

6. Agreements of participants, obliging participants in a full partnership to take actions that are not their duties, provided for by this Law, other legislative acts and constituent documents shall be null and void.

7. In case of non-fulfillment of obligations, provided by this Law, other legislative acts and constitutive documents by the participant of a full partnership, that entail the infliction of harm to partnership or its participants, the other participants shall have the right to claim the injuries from this participant, and in case of infliction of essential harm – his (her) exclusion from a partnership in judicial proceeding.

Footnote. Article 11 as amended by the Law of the Republic of Kazakhstan dated 19 February, 2007 No. 230 (the order of enforcement See Article 2); № 49-VI as of 27.02.2017 (shall be enforced ten calendar days after its first official publication).

Article 12. Content of constitutive documents of a full partnership

1. The firm name of a full partnership shall be stated in the constitutive documents, that shall contain:

- 1) the names of all its participants, as well as the words “full partnership”, or
- 2) the name of one or several participants with the addition of the words “and company”, as well as the words “full partnership”.

2. Information, provided by paragraphs 7 and 8 of Article 4 of this Law shall be reflected in the constitutive documents of a full partnership.

Article 13. The charter fund of a full partnership. Shares of participants in property of a full partnership

1. Participants of a full partnership shall form the charter fund, the size of which shall not be more than twenty five calculation indices, statutorily prescribed in the Republic of Kazakhstan as from the date of making contributions to the charter fund by participants.

2. Size, procedure and terms of establishment of the charter fund of a full partnership shall be determined by the constitutive documents of a partnership.

3. Shares of participants of a full partnership shall be determined by the rules of Article 7 of this Law.

Footnote. Paragraph 1 as amended by the Law of the Republic of Kazakhstan dated 19 June, 1997 No. 132-1.

Article 14. Conduct of cases of a full partnership

1. The supreme body of a full partnership shall be the general meeting of participants.

Adoption of decision on internal issues of a full partnership shall be applied by the common agreement of all the participants.

The constitutive documents of a partnership may provide the cases, when decision is adopted by majority votes of participants. Each of participants of a full partnership shall have only one vote, unless other order of determination of amount of the participants' votes provided by the memorandum.

The constitutive documents may provide, that amount of votes in possession of participants, shall be determined commensurate with their share in the charter fund of a partnership.

2. Administration of a full partnership shall be carried out by executive bodies of a full partnership in recognition of provisions of paragraph 1 of this Article.

Types, order of establishment of administrative bodies and their competence shall be determined by the constitutive documents.

3. The participant of a full partnership shall not have the right to consummate transactions without the consent of other participants in its own name and in its own interests or in the interests of third parties, being uniform to those, that are objects of activity of a partnership. In violation of this rule, a partnership shall have the right to claim compensation for damages, inflicted to partnership from this participant at their own option, or transfer of all gained profit on these transactions to partnership.

4. Bodies of a full partnership, charged with conduct of cases of a partnership, shall be obliged to deliver full information on their activity to all participants upon their demands.

5. A participant, acting in common interests without powers, in case when his (her) actions will not be approved by all the rest of participants shall have the right to claim repayment of incurred expenses by him (her) from a partnership, on condition, if he (she) proves that in the result of his (her) actions, a partnership preserved or respectively acquired the property, exceeding the cost of incurred expenses by a partnership.

Article 15. Change in membership of a full partnership

1. In case of withdrawal of a participant from a partnership, composition in his (her) bankruptcy or application of the creditor (creditors) on recovery on his (her) share in property of a partnership, death of a participant of a full partnership, declaring him (her) as decedent, recognition as missing person, incapable or partially capable, a full partnership shall be subject to be terminated, unless otherwise provided by the constitutive documents of a partnership or not established by agreement of the rest of participants.

2. In continuation of activity by a full partnership, and in case of transferring the share of a participant in property of a partnership to other participants or third parties, exclusion of a participant from a partnership or acceptance of new participants to partnership, a full partnership shall be subject to reregistration with introduction of the relevant amendments in the constitutive documents.

Article 16. Withdrawal of a participant from a full partnership

1. Participant of a full partnership shall have the right to withdraw from it, submitting on refusal from participation in a partnership.

2. Refusal from participation in a full partnership shall be submitted by a participant not less than six months before the actual withdrawal from a partnership.

Pre-term refusal from participation in a full partnership, established for the term up to five years shall be allowed only on the basis of valid excuses.

3. The constitutive documents may provide the other motion period on withdrawal from a partnership by participants, in comparison with the term, established by this Article.

An agreement between participants in a partnership to waive the right to leave the partnership shall be null and void.

Footnote. Article 16 as amended by Law of the Republic of Kazakhstan № 49-VI as of 27.02.2017 (shall be enforced ten calendar days after its first official publication).

Article 17. Consequences of withdrawal from a full partnership by a participant

1. Participant, withdrew from a partnership shall be paid by the cost of portion of property of a partnership, proportionally to amount of contribution to the charter fund of a partnership by this participant.

2. Cost of portion of property of a full partnership, that is owed to retiring participant shall be determined in accordance with the balance of partnership, made as from the date of

withdrawal of participant from a partnership, and shall be paid within 30 days from the date of actual withdrawal from a partnership by a participant.

3. Payment of the cost of portion of property of a full partnership may be substituted by issuing the property in kind, under agreement of retiring participant with the rest of participants.

4. Retiring participant shall be paid by the share of the profit, owed to him (her), received by a full partnership in this year for the period of his (her) stay in a partnership in this year.

5. In case of withdrawal, a participant, that partly made his (her) contribution to the charter fund, shall be paid only by the cost of this part of contribution, unless otherwise provided by the constitutive documents or agreement of participants.

6. Property, transferred for use of a full partnership by retiring participant shall be returned without remuneration, unless otherwise provided by the constitutive documents of a partnership.

6-1. In withdrawal of a participant from a full partnership, the apportionment of the land plot in kind, right on which is transferred in the capacity of contribution to the charter capital of a partnership (as well as the right to suspended the land share), shall be carried out in the manner, established by the land legislation of the Republic of Kazakhstan.

7. In withdrawal of a participant, the shares of the rest of participants in property of a full partnership shall be increased proportionally to their initial number, determined for the date of withdrawal of a participant from a partnership, unless otherwise provided by the constitutive documents or agreement of participants. <*>

Footnote. Article 17 is supplemented by the Law of the Republic of Kazakhstan dated 29 December, 2003 No. 512.

Article 18. Transfer of share (portion of share) of a participant of a full partnership

1. Transfer of share (portion of share) by a participant to other participants of a partnership or to third parties shall be possible only with the consent of all the rest participants.

2. Upon the transfer of share to other participant of a partnership or to third party, the transfer of all collect of rights and obligations belonging to participant, retired from a full partnership shall be performed at the same time.

3. In case of death of a participant of a partnership or his (her) declaration of death, a legal successor (heir) may enter into partnership with the consent of all the rest of participants.

4. In case of refusal of a legal successor (heir) from entering into full partnership or refusal of a partnership from acceptance of a legal successor (heir), he (she) shall be paid by the cost, belonging to him (her) on the basis of legal succession of share in property of a partnership, determined on the date of death of a participant or his (her) declaration of death in the manner, established by Article 17 of this Law.

Article 19. Exclusion of a participant from a full partnership

1. Participants of a full partnership shall have the right to claim the exclusion of one and more participants from a partnership in judicial proceeding by the unanimous consent of the rest of participants and in existence of justifiable reasons, particularly the gross neglect of obligations by him (her, them) or detected incompetency to conduct the cases prudently.

2. Participant, excluded from a full partnership shall be paid by the cost of portion of property of a partnership in the manner, prescribed by Article 17 of this Law.

3. All the losses, inflicted to partnership by excluded participant may be recovered by court decision from the cost of portion of property of a full partnership paid to participant in case of withdrawal. In case of overrun of the losses, inflicted to partnership by excluded participant over the cost of portion of property paid to him (her) in order of withdrawal, the deficient part of cost of the losses shall be recovered from the other property of a participant, excluded from a partnership.

Article 20. Application of recovery on share of a participant in a full partnership

1. Application of recovery on share of a participant in property of a full partnership on his (her) personal debts, shall be allowed only in the absence of other property for settlement of his (her) debts. Creditors of this participant shall have the right to claim appropriation of the portion of property of a partnership proportionally to contribution of a debtor to the charter fund of a partnership in the manner, prescribed by Article 17 of this Law, with the purpose of application of recovery on this property. The portion of property of a partnership or its cost that shall be subject to apportionment shall be determined on a balance, made as from the date of claiming the apportionment by creditors.

2. Application of recovery on share of a participant in property of a full partnership shall terminate his (her) membership in a partnership and entail consequences, provided by Articles 15, 19 and 24 of this Law.

Article 21. Consequences of recognition of a participant of a full partnership as missing person, incapable or partially capable

1. If a partnership is preserved (Article 15 of this Law) in recognizing a participant of a full partnership as incapable or missing person, the trustee of this participant or its property may participate in activity of a partnership only with the consent of all the rest of participants of a partnership.

The same consent of all participants of a partnership shall be required for participation in activity of a partnership of a participant, recognized as partially capable.

2. In refusal from participation in activity of a full partnership by the trustee of a participant, recognized as missing or incapable person in the name of this participant, or refusal of a partnership itself from participation in its activity, the trustee as the legal representative of this participant shall be paid by the cost of portion of property of a partnership, belonging to participant, provided to him (her) in the manner, prescribed by Article 17 of this Law.

In case of refusal of a partnership or custodian of a participant, recognized as partially capable from participation in activity of a partnership, this participant shall be paid by the cost of portion of property of a partnership in the same order.

Article 22. Acceptance of new participants in a full partnership

1. Acceptance of new participants shall be possible with the consent of all participants of a full partnership.

2. Upon the acceptance of new participants, the following information shall be amended in the constitutive documents of a full partnership:

- 1) new volume of shares of participants of a partnership;
- 2) the order of partnership's management;
- 3) amount, procedure, terms and methods of making contribution by a new participant of a partnership;
- 4) other amendments, required in connection with acceptance of new participant.

Article 23. Distribution of profits and losses of a full partnership

1. Profit and losses of a full partnership shall be distributed between participants proportionally to amounts of their contributions to the charter fund of a partnership, unless otherwise provided by the memorandum or agreements of participants.

2. Agreements that preclude any participant in a full partnership from participating in the distribution of profits and recovery of losses shall be null and void.

Footnote. Article 23 as amended by Law of the Republic of Kazakhstan № 49-VI as of 27.02.2017 (shall be enforced ten calendar days after its first official publication).

Article 24. Responsibility of participants on the debts of a full partnership

1. If upon the winding-up of a full partnership, it is turned out that the liquid assets are not enough for cover of all its debts, its participants shall jointly and severally bear responsibility for a partnership in deficient part by all their property, the recovery on which may be applied in accordance with the legislative acts.

2. Participant of a full partnership, entered into partnership after its establishment in order of transfer of the share or legal succession, shall answer equally with other participants and on the obligations, arising before his (her) entering into partnership.

Participant of a full partnership, entered into partnership after its establishment in order of acceptance of new participant shall answer only on the obligations arising after its entering into partnership.

3. Participant, retired from a full partnership on his (her) own will, on decision of a trustee in case of his (her) recognition as missing, incapable person or with the consent of the custodian in case of his (her) recognition as partially capable or excluded from a partnership by court decision, as well as a legal successor (heir) of dead participant or participant, declared as decedent, refused the offer to enter into partnership, shall answer on the

obligations of a partnership, arising before their withdrawal, within two days from the date of approval of report on activity of a partnership for the year, in which they retired from a partnership.

4. Participant, retired from a full partnership in order of transfer of the share to other participant or third party, application of recovery on his (her) share in property of a partnership by a creditor (creditors) or refusal of the rest of participants from giving the consent on participation of a participant in activity of a partnership, that is not recognized as partially capable, the trustee as the legal representative of a participant, recognized as missing or incapable person, as well as legal successor (heir) of dead participant or participant declared decedent, that was denied in acceptance into partnership by the rest of participants, shall not answer on the obligations of a partnership.

5. Participant, that satisfied the debts of a full partnership in whole or in part, shall have the right to file the recourse claim with the relevant part to the rest of participants that bear the sharing responsibility to him (her) proportionally to the number of their shares in property of a partnership.

6. In case of termination of a full partnership, the participants shall bear responsibility on obligations of a partnership, arising before its termination, within two years from the date of termination of a partnership.

7. Agreements of participants changing the order of their liability for the obligations of a full partnership provided for by this article shall be null and void.

Footnote. Article 24 as amended by Law of the Republic of Kazakhstan № 49-VI as of 27.02.2017 (shall be enforced ten calendar days after its first official publication).

Article 25. Special aspects of termination of full partnerships

1. Beside the grounds, mentioned in Article 9 of this Law, a full partnership shall be terminated as well as in the case when a partnership has only one participant.

2. Participant of a full partnership shall have the right to accept new participants and preserve a full partnership within six months from the date, when he (she) was the only one participant of a partnership.

3. Participant shall have the right to commit the following actions within six months from the date when he (she) was the only one participant of a full partnership:

1) to conclude the agreement with depositors on financing activity, carried out by a partnership and establish a kommandit partnership;

2) to establish an additional liability partnership, limited liability partnership in compliance with requirements of this Law on minimum size of the charter fund of the relevant type of a partnership, or dissolve a partnership. <*>

Footnote. Article 25 as amended by the Law of the Republic of Kazakhstan dated 16 May, 2003 No. 416.

Chapter 2. Kommandit partnership

Article 26. Concept of a kommandit partnership

1. Kommandit partnership shall be an economic partnership, that includes one or more participants, solidarily bearing responsibility on the obligations of a partnership by all their property (full partners), together with one or more participants, the responsibility of whom shall be restricted by the sum of made contributions to the charter fund of a partnership (depositors) and that don't participate in carrying out of entrepreneurial activity by a partnership.

2. The legal status of full partnerships, participating in a kommandit partnership, and their responsibility on the obligations of a partnership shall be determined by the rules on participants of a full partnership.

3. The regulations of this Law on a full partnership (Articles 10 – 25) shall be applied to kommandit partnership, as this is not inconsistent with provisions of this chapter.

Article 27. Rights and obligations of depositors of a kommandit partnership

1. Depositors of a kommandit partnership shall have the right to:

1) receive share of the profit of a partnership proportionally to their share in the property and charter fund in the manner, provided by the constitutive documents;

2) become familiar with annual reports and balances of a partnership, as well as claim securing correctness of their making;

3) transfer their share in property or its portion to other depositor or third party in the manner, provided by this Law and constitutive documents of a partnership;

4) retire from a partnership in the manner, provided by paragraph 2 of Article 31 of this Law and constitutive documents of a partnership;

5) receive information on activity of a partnership;

6) contest decision of partnership bodies, violating their rights, provided by this Law and (or) the charter of a partnership.

2. Depositors of a kommandit partnership may have the other rights, provided by this Law, other legislative acts and constitutive documents of a partnership.

3. The waiver of the rights provided for by this Law and other legislative acts for depositors of a limited partnership, or their restriction, also by agreement of depositors and full partners, shall be null and void.

4. Depositors of a kommandit partnership shall be obliged to:

1) comply with conditions of the constitutive documents of a partnership;

2) make contributions in the manner, method and amount, provided by the constitutive documents of a partnership;

3) provide assistance to partnership in carrying out of its activity, as well as provide services to partnership in the cases, mentioned in the constitutive documents of a partnership;

4) inform executive body of a partnership in a written form on changing the place of residence and document details, certifying identity – for individuals, or the name and location area – for legal entities.

5. If a depositor consummates transaction in behalf of a kommandit partnership without requisite authorities, it shall answer on transaction to creditors in full measure in case of approval of actions by a partnership. If the approval is not obtained, a depositor shall answer to third person independently by all his (her) property, on which it may be recovered in accordance with the legislation.

6. Depositors of a kommandit partnership may incur the other obligations, provided by this Law, other legislative acts and constitutive documents of a partnership.

7. Agreements of full partners and depositors obliging depositors of a limited partnership to perform actions that are not their duties provided for by this Law, other legislative acts and constituent documents shall be null and void.

8. In non-fulfillment of the obligations by a depositor of a kommandit partnership, provided by this Law, other legislative acts and constitutive documents, caused the infliction of harm to partnership or its participants, the full partners shall have the right to claim the compensation for harm from this depositor, and in case of infliction of essential harm – his (her) exclusion from a partnership in judicial proceeding.

Footnote. Article 27 as amended by the Law of the Republic of Kazakhstan dated 19 February, 2007 No. 230 (the order of enforcement See Article 2); № 49-VI as of 27.02.2017 (shall be enforced ten calendar days after its first official publication).

Article 28. The charter fund of a kommandit partnership. Shares of participants in property of a kommandit partnership

1. The charter fund of a kommandit partnership shall be composed of contributions of full partners and depositors and shall be not less than fifty monthly calculation indices, statutorily determined in the Republic of Kazakhstan as from the date of making contributions by participants to the charter fund.

2. Cumulative number of shares of depositors in the charter fund may not be more than 50 percent. By this, the obligation of depositors on payment of contributions (part of contributions) of full partners may be provided in the constitutive documents.

3. Size, procedure and terms of formation of the charter fund of a kommandit partnership shall be determined by the constitutive documents of a partnership.

4. Shares of participants in property of a kommandit partnership shall be determined by the rules of Article 7 of this Law.

Footnote. Article 28 as amended by the Laws of the Republic of Kazakhstan dated 18 June, 1997 No. 132; dated 22 April, 1998 No. 221.

Article 29. Content of the constitutive documents of a kommandit partnership

1. The firm name of a kommandit partnership shall be stated in its constitutive documents and shall contain:

- 1) the names of all the full partners, as well as the words “kommandit partnership”, or
- 2) the name of not less than one full partner with addition of the words “and company”, as well as the words “kommandit partnership”.

2. The constitutive documents of a kommandit partnership shall also contain information, provided by paragraphs 7 and 8 of Article 4 of this Law.

Article 30. Management of cases of a kommandit partnership

Management of cases of a kommandit partnership shall be carried out by full partners. The procedure for management and conduct of cases of a kommandit partnership by its full partners shall be determined by them by the rules on a full partnership. Depositors shall not have the right to participate in management of cases of a kommandit partnership, as well as act in its name other than by power of attorney. Depositors of a kommandit partnership shall not have the right to contest the actions of full partners on management of cases of a partnership.

Article 31. Changing the membership of depositors of a kommandit partnership

1. Transfer of share (portion of share) by a depositor in property of a kommandit partnership to other depositors, full partners or third parties shall be possible only with the consent of all the full partners, unless otherwise provided by the constitutive documents of a partnership.

Upon the transfer of share to other depositors, full partners or third parties, the transfer of all collect of rights and obligations belonging to depositor, retired from a kommandit partnership shall be performed at the same time.

2. Depositor of a kommandit partnership shall have the right to retire from it, submitting on refusal from participation in a partnership on completion of financial year.

Refusal from participation in a kommandit partnership shall be submitted by a depositor not less than six months before completion of financial year, unless otherwise provided by the constitutive documents of a partnership.

In case of withdrawal of a depositor from a kommandit partnership, the consequences, provided by Article 17 of this Law shall come.

3. The procedure for application of recovery by a creditor (creditors) on the share of a depositor in property of a partnership shall be determined by Article 20 of this Law.

4. Full partners shall have the right to seek the exclusion of one or several depositors in court on unanimous consent of all the full partners in case of incomplete contribution of their asset contributions by them to the charter fund of a partnership.

Depositor, excluded from a kommandit partnership shall be paid by the sum of made contributions to the charter fund of a partnership, unless otherwise provided by the constitutive documents of a partnership.

In case if a depositor doesn't make any contributions to the charter fund of a kommandit partnership, the membership in a partnership shall be terminated upon expiry of 30 days from the date of the end of the term, established by the constitutive documents of a partnership for making the contributions, unless otherwise provided by the constitutive documents of a partnership.

5. In case of termination (winding-up or reorganization) of a legal entity – a depositor of a kommandit partnership, or death, or declaration of death – a depositor of a partnership, the legal succession shall be carried out in the manner, provided by the Civil Code of the Republic of Kazakhstan.

Article 32. Consequences of withdrawal of participants from a kommandit partnership

In case of withdrawal (of a full partnership or depositor) from a kommandit partnership, the shares of the rest of participants in property of a partnership shall be increased proportionally to their original number, determined on the date of withdrawal of a participant from a partnership, unless otherwise provided by the constitutive documents or agreements of participants.

Article 33. Acceptance of new participants to kommandit partnership

1. Acceptance of new full partners and depositors to kommandit partnership shall be possible only with the consent of all the full partners.

2. Upon the acceptance of new full partners or depositors, the following amendments shall be introduced in the constitutive documents of a kommandit partnership:

- 1) new number of shares of participants in property of a partnership;
- 2) change of procedure of the partnership's management;
- 3) amount, procedure, terms and methods of making contribution by new full partners and depositors to the charter fund of a partnership;
- 4) other amendments, required in connection with acceptance of new participant.

Article 34. Distribution of profit and losses of a kommandit partnership

1. Profit and losses of a kommandit partnership shall be distributed between all its participants proportionally to number of their shares in property of a partnership, unless otherwise provided by the constitutive documents of a partnership or agreement of participants.

2. The agreement on exclusion of someone among participants from participation in distribution of profit or in cover of losses of a partnership shall not be allowed.

Article 35. Responsibility of participants on debts of a kommandit partnership

1. Full partners shall solidarily bear additional responsibility by all their property on obligations of a kommandit partnership in the manner, prescribed by Article 24 of this Law.

2. Depositors shall answer on the obligations of a kommandit partnership within the sums of contributions, made by them to the charter fund of a partnership.

Article 36. Specific aspects of termination of a kommandit partnership

1. Beside the grounds, mentioned in Article 9 of this Law, a kommandit partnership shall also be terminated in the case of withdrawal of all the full partners or all the depositors from it

Kommandit partnership shall be preserved, if it has at least one full partner and one depositor.

2. The rest of full partners remained in a kommandit partnership within six months from the date of withdrawal of the last depositor or the rest of full depositors remained in a partnership within six months from the date of withdrawal of the last full partner, shall have the right to admit new participants into partnership in order to preserve a partnership. In this case full partners or depositors-citizens shall have the right to reform a kommandit partnership into full partnership.

3. If a kommandit partnership has only full partners or only depositors, they shall have the right to commit the actions, provided by paragraph 3 of Article 25 of this Law.

4. Upon the winding-up of a kommandit partnership, depositors shall have the priority right over full partners to receive the contributions from property of a partnership, remained after satisfaction of requirements of its creditors. Property of a kommandit partnership remained after this, shall be distributed between full partners and depositors proportionally to their contributions to the property of a partnership, unless the other order established by the constitutive documents.

Chapter 3. Joint stock company

Footnote. Chapter 3 and Articles 37-61 are excluded by the Law of the Republic of Kazakhstan dated 10 July, 1998 No. 282.

Article 62. The order of enforcement of this Law

This Law enters into force from the date of publication.

The President
of the Republic of Kazakhstan