



On Non-commercial Organizations

Unofficial translation

The Law of the Republic of Kazakhstan dated 16 January, 2001 No.142.

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Chapter 1. General Provisions

Article 1. The subject of regulation of this Law

The subject of regulation of this Law shall be relations, arising in connection with establishment, activity, reorganization, and liquidation of non-commercial organizations.

Special aspects of legal status, establishment, activity, reorganization and liquidation of political parties, trade unions shall be regulated by the special Laws.

Article 2. Definition of a non-commercial organization

A non-commercial organization shall be recognized as a legal entity, not having the derivation of income in the capacity of main purpose and not distributing the derived net income between members.

Article 3. The legislation on non-commercial organizations

1. The legislation of the Republic of Kazakhstan on non-commercial organizations shall be based on the Constitution of the Republic of Kazakhstan and consist of the Civil Code, this Law and other legislative acts.

2. This Law shall apply to the activity of the non-commercial organizations of any organizational legal form, branches and representative offices (separate subdivisions) of foreign and international non-commercial organizations, established and operating in the territory of the Republic of Kazakhstan.

3. Special aspects linked with establishment, activity, reorganization and liquidation of separate non-commercial organizations shall be governed by this Law and other legislative acts.

Article 4. Objectives of activity of non-commercial organizations

Non-commercial organizations may be established for the purpose of achievement of social, cultural, scientific, educational, charitable, administrative objectives; protection of the rights, legal interests of citizens and organizations; the settlement of disputes and conflicts; satisfaction of spiritual and other needs of citizens; protection of health of the citizens, environmental protection, development of physical education and sport; rendering legal

assistance, as well as for the other purposes aimed to secure public benefits and benefits for their members (participants).

Objectives of activity of non-commercial organizations shall be determined by the constitutive documents.

Article 5. Rights and obligations of non-commercial organizations

1. In order to implement the charter purposes, non-commercial organizations shall have the right:

- 1) to open accounts in banks in the manner, established by the legislation;
- 2) to have a seal, stamps and letterheads stating the full name of an organization in Kazakh and Russian languages, as well as the label (symbols), registered in established manner;
- 3) to have solitary property, as well as independent balance sheet or budget in the ownership or in the operative management;
- 4) to acquire and exercise the property and moral rights;
- 5) to establish other legal entities, unless otherwise provided by the legislative acts;
- 6) to establish branches and representative offices;
- 7) to enter into associations and unions, as well as to take part in their activity;
- 8) to use funds for the implementation of purposes, provided in the charter;
- 9) to sue and be sued in court;
- 10) to exercise the other rights, not contradicting the legislation of the Republic of Kazakhstan.

2. Non-commercial organizations shall be obliged:

- 1) to comply with the legislation of the Republic of Kazakhstan;
- 2) to pay taxes and to make other obligatory payments to the budget in established manner ;
- 3) to be responsible for their liabilities with all the property, belonging to them (except for the institutions);
- 4) to bear responsibility in accordance with the legislative acts of the Republic of Kazakhstan.

Article 6. Forms of non-commercial organizations

Non-commercial organizations may be established in the form of an institution, social association, joint-stock company, consumer cooperative, fund, religious association, and association of legal entities in the form of an alliance (union) and in other form provided by the legislative acts.

Article 7. Name and location of a non-commercial organization

1. The name of a non-commercial organization shall include its name and indication of its organizational legal form. It may include additional information provided by the legislation.

In the name of non-commercial organization, the use of the names, contradicting the requirements of the legislation or standards of social morality, and proper names of persons, if they do not coincide with the name of members or if the members did not obtain permission from those persons (their successors) to use the proper name, shall be prohibited.

2. The location of a non-commercial organization shall be recognized as the location of its operating body.

3. The name and location of a non-commercial organization shall be stated in its constitutive documents.

Chapter 2. Legal organizational forms of non-commercial organizations Article 8. Institution

1. An institution shall be recognized as an organization, established and funded by its founder in order to carry out management, social and cultural or other functions of a non-commercial nature.

The rights of an institution to the property, assigned to it shall be determined in accordance with the civil legislation.

2. Depending on the form of property the institutions shall be subdivided into the state and private institutions.

3. Special aspects of the legal status of particular types of institutions shall be governed by the legislative acts.

Article 9. State institution

Footnote. Article 9 is excluded by Law of the Republic of Kazakhstan No. 414-IV dated 01.03.2011 (shall be enforced from the date of its first official publication).

Article 10. Private institution

1. A private institution shall be recognized as an organization, that is not a part of the governmental structure, established by individuals and (or) non-state legal entities in order to carry out management, social and cultural or other functions of non-commercial nature.

2. The property of a private institution shall be fixed to it on the right of operative management.

3. A private institution shall be responsible for its liabilities with money being at its disposal. If the money is insufficient, the responsibility for liabilities of a private institution shall be borne by its founder.

Article 11. Public association

1. A public association shall be an organization, established in the result of voluntary consolidation of people, unless otherwise provided by the Laws, for the purpose of achievement of general objectives by them, not inconsistent with the legislation of the Republic of Kazakhstan.

2. Excluded by the Law of the Republic of Kazakhstan dated 21.12.2023 No. 49-VIII (shall be enforced ten calendar days after the date of its first official publication).

3. Special aspects of legal status of the public association shall be governed by the Law of the Republic of Kazakhstan “On social associations”.

4. A public association may operate as a self-regulating organization based on voluntary membership (participation) in accordance with the Law of the Republic of Kazakhstan “On Self-Regulation”.

Footnote. Article 11 as amended by Law of the Republic of Kazakhstan No. 537-IV dated 12.01.2012 (shall be enforced upon expiry of ten calendar days after its first official publication); dated 24.05.2018 No. 156-VI (shall be enforced upon the expiration of ten calendar days after the day of its first official publication); dated 21.12.2023 No. 49-VIII (shall be enforced ten calendar days after the date of its first official publication).

Article 12. Fund

1. A fund shall be recognized as a non-commercial organization without membership, instituted by the citizens and (or) legal entities on the basis of voluntary property contributions, pursuing social, charitable, cultural, educational and other socially beneficial purposes.

1-1. In cases stipulated by the laws of the Republic of Kazakhstan, it is allowed to form the fund's assets on the basis of mandatory asset contributions for the purposes specified in paragraph 1 of this article.

2. Upon the establishment of a fund, by decision of the founders (founder) a permanent collegial governing body - the board of trustees shall be formed, that shall appoint the executive body of the fund, carry out the compliance of the fund's activity with its charter purposes, as well as other powers, stipulated by the charter of the fund.

Married persons and immediate relatives may not constitute the majority of members of the board of trustees of the fund as well as they may not be epy staff members of this fund.

3. The executive body of the fund shall act on the basis and in pursuance of decisions of the supreme governing body and permanent collegial governing body of the fund (the board of trustees) and shall be accountable to them.

A director and members of the executive governing body of the fund shall be jointly obliged to compensate the fund for losses, caused as a consequence of adoption of decisions by them in violation of the constitutive documents of the fund, this Law and other legislative

acts of the Republic of Kazakhstan. Those persons that voted against, abstained or did not take part in a meeting, during adoption of this decision, shall be released from the obligation to compensate for losses.

4. The fund shall have a director and an accountant that shall not be married to each other, be immediate relatives or be related by marriage. The same person may not hold both positions. A director, on the basis of the constitutive documents, the decisions of the governing body of the fund, shall have the right to make transactions on behalf of the fund. The charter of the fund may establish the spheres of activity of other authorized persons that may act on their own and make transactions. A director of the fund shall have the right to represent the fund before court, state bodies, as well as in organizations without a power of attorney.

5. The property, transferred to the fund by its founders shall be the property of the fund.

The founders of the fund shall not have the property rights to the property of the fund and in case of non-fulfillment of the obligations they may be excluded from the fund by the general meeting of founders in the manner, established by the charter.

6. The fund shall be obliged to carry out the audit of financial activity within the term established by the charter. Revisions shall be carried out by an auditor or an auditing organization. The procedure for election of an auditor shall be determined by the charter, the auditing organizations shall be engaged in the manner, established by the legislation.

7. The Fund is obliged to annually publish reports on the use of its property on the Internet resources and (or) publish them in periodicals distributed throughout the territory of the Republic of Kazakhstan.

Footnote. Article 12 as amended by Law of the Republic of Kazakhstan No. 139 dated 5 May, 2006 (See Article 2 of Law of the Republic of Kazakhstan No. 139 for the enactment procedure); № 429-V dated 02.12.2015 (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 13. Types of funds

1. Private, corporate, social, state funds may be established depending on membership of founders, as well as on the sphere of activity.

Social, charitable, cultural, educational and other funds may be established depending on purposes of activity.

2. A private fund shall be recognized as a fund, instituted by one individual or individuals - members of one family at the expense of his (her, their) own funds. A private fund may also be established under a notarized will of an individual.

The property of a private fund shall be formed at the expense of lump-sum and (or) regular receivables from an individual (founder) or individuals - members of one family (

founders), property received under the will, as well as other sources, provided in Article 35 of this Law and conform to the objectives of activity of a private fund.

The rights of a founder (founders) of a private fund may be included in succession in the case, if this is provided by the constitutive documents.

3. A corporate fund shall be recognized as a fund, instituted by one legal entity or several legal entities - commercial and (or) non-commercial organizations at the expense of the funds of these organizations.

The property of a corporate fund shall be formed at the expense of lump-sum and (or) regular receivables from one or several legal entities - commercial and (or) non-commercial organizations (founders), as well as the other sources, provided in Article 35 of this Law and conform to the objectives of activity of a corporate fund.

4. A social fund shall be recognized as a fund, instituted by individuals, not being the members of one family, and (or) by legal entities - social associations.

The property of a social fund shall be formed at the expense of lump-sum and (or) regular receivables from legal entities - public association and individuals, as well as from the other sources, provided in Article 35 of this Law and conform to the objectives of activity of a social fund.

The property of a social fund may not be formed at the expense of receivables from members of one family - the sole members of mentioned fund.

5. A state fund shall be recognized as a fund, established by decision of state bodies, to which the right of possession, use, dispose of the state-owned property was transferred in established manner, carrying out objectives and goals of the fund at the expense of funds of the state budget.

The property of the state fund shall be formed at the expense of funds of the state budget of the Republic of Kazakhstan in the manner, established by the legislation, as well as the other sources, provided in Article 35 of this Law and conform to the objectives of activity of the state fund.

6. Relations, arising in connection with the establishment, activity, reorganization and (or) liquidation of the funds, established at the expense of obligatory payments, established by the legislation of the Republic of Kazakhstan shall not be the subject of regulation of this Law.

Footnote. Article 13 as amended by Law of the Republic of Kazakhstan No. 524-IV dated 28.12.2011 (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 14. Consumer cooperative

1. A consumer cooperative shall be recognized as a voluntary association of the citizens on the basis of membership in order to satisfy material and other needs of the members, carrying out by combining the property (share) contributions by its members.

In cases, provided by the legislative acts, legal entities may join to the consumer cooperative.

2. Is excluded by Law of the Republic of Kazakhstan № 373-V dated 29.10.2015 (shall be enforced from 01.01.2016).

3. Members of a consumer cooperative shall jointly bear subsidiary responsibility for its liabilities within the limits of non-contributed part of additional contribution of cooperative's members.

4. Incomes derived by a consumer cooperative may not be distributed between its members and shall be spent for the charter purposes.

5. Members of a consumer cooperative shall be obliged to recover arose losses by means of additional contributions within three months upon the approval of the annual balance sheet. In case of failure to fulfill that obligation, the cooperative may be liquidated upon demand of creditors in a judicial proceeding.

6. The specific features of the legal regulation of consumer cooperatives are regulated by special legislative acts.

Footnote. Article 14 as amended by Law of the Republic of Kazakhstan № 373-V dated 29.10.2015 (shall be enforced from 01.01.2016).

Article 15. Religious association

1. A religious association shall be recognized as a voluntary association of citizens, in the manner, established by the legislative acts, joining on the basis of community of their interests in order to satisfy spiritual requirements.

2. Participants (members) of a religious association shall not preserve the rights to property, transferred by them to this organization, as well as to membership fees. They shall not be responsible for the liabilities of a religious association, and a religious association shall not be responsible for the liabilities of its members.

3. Special aspects of legal status of a religious association shall be governed by the Law.

Article 16. Non-commercial joint-stock company

1. A non-commercial joint-stock company shall be recognized as a legal entity, issuing the shares for the purpose of obtaining the funds in order to carry out its activity, the incomes of which shall be used only for the development of this company.

2. Non-commercial joint-stock companies shall not have the right to issue preferred shares, derivatives and convertible securities.

3. Memorandum of a non-commercial joint-stock company shall be made by signing of this memorandum by each of founders or its authorized representative.

4. A company, instituted as a non-commercial organization may not be reorganized into a commercial organization, as well as a company, instituted as a commercial organization may not be reorganized into a non-commercial organization.

Requirement of the first part of this paragraph shall not apply to the events of reorganization of:

1) stock exchanges, established in accordance with the legislation of the Republic of Kazakhstan on the equity market;

2) commercial joint-stock companies into autonomous educational organizations in accordance with the Law of the Republic of Kazakhstan "On the status of Nazarbayev University", "Nazarbayev Intellectual Schools" and "Nazarbayev Foundation", as well as into the autonomous cluster fund in accordance with the Law of the Republic of Kazakhstan "On Innovative Cluster "Park of innovative technologies";

2-1) organizations of higher and (or) postgraduate education, established as commercial organizations;

3) credit bureaus, established in accordance with the legislation of the Republic of Kazakhstan on credit bureaus and formation of credit histories.

4) pension savings fund with the state participation into uniform pension savings fund.

5) a non-profit organization in the organizational and legal form of a joint-stock company with direct or indirect participation of the state in the authorized capital, which guarantees the completion of construction and the transfer of a share in an apartment building to shareholders in case of a guarantee event.

Footnote. Article 16 as amended by Law of the Republic of Kazakhstan No. 309 dated 21.07.2007; No. 395-IV dated 19.01.2011 (shall be enforced upon expiry of ten calendar days after its first official publication); No. 524-IV dated 28.12.2011 (shall be enforced upon expiry of ten calendar days after its first official publication); No. 106-V dated 21.06.2013 (shall be enforced upon expiry of ten calendar days after its first official publication); № 208-V dated 10.06.2014 (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 04.07.2018 № 171-VI (shall be enforced upon the expiration of ten calendar days after the day of its first official publication); dated 09.06.2020 № 341-VI (shall enter into force from 01.07.2020).

Article 17. Other legal organizational form of a non-commercial organization

1. Non-commercial organizations may be established in other legal organizational form.

2. Autonomous educational organizations, autonomous cluster fund, notary chambers, collegiums of advocates, law offices, the Republican Collegium of legal consultants, the National Chamber of Entrepreneurs of the Republic of Kazakhstan, the Chamber of Judicial Experts of the Republic of Kazakhstan, the Republican Chamber of private bailiffs, the

Arbitration Chamber of Kazakhstan, professional auditing organizations, Professional Council on auditing, associations of proprietors can be formed in another organizational and legal form.

3. Special aspects of legal status of other legal organizational forms shall be governed by the legislative acts.

Footnote. Article 17 as amended by Laws of the Republic of Kazakhstan No. 139 dated 05.05.2006 (See Article 2 for the enactment procedure); No. 262-IV dated 02.04.2010 (shall be enforced from 21.10.2010); No. 395-IV dated 19.01.2011 (shall be enforced upon expiry of ten calendar days after its first official publication); № 130-V dated 04.07.2013 (shall be enforced upon expiry of one year after its first official publication); № 208-V dated 10.06.2014 (shall be enforced upon expiry of ten calendar days after the day its first official publication); № 269-V dated 29.12.2014 (shall be enforced from 01.01.2015); № 489-V dated 08.04.2016 (shall be enforced upon expiry of ten calendar days after the day its first official publication); № 45-VI dated 10.02.2017 (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 02.07.2018 № 166-VI (shall be enforced upon the expiration of ten calendar days after the day of its first official publication); dated 05.07.2018 № 177-VI (shall be enforced upon the expiration of ten calendar days after the day of its publication); dated 26.12.2019 No. 284-VI (enforcement see Art. 2); dated 03.07.2020 № 358-VI (shall enter into force upon the expiry of one year after the day of its first official publication); dated 09.06.2021 № 49-VII (shall enter into force upon the expiry of ten calendar days after the day of its first official publication).

Article 18. Joining of individual entrepreneurs and (or) legal entities in the form of an alliance (union)

Footnote. The title of Article 18 is in the wording of Law of the Republic of Kazakhstan No. 15-V dated 27.04.2012 (shall be enforced upon expiry of ten calendar days after its first official publication).

1. Individual entrepreneurs and (or) legal entities for the purposes of coordination of their entrepreneurial activity, as well as representation and protection of common interests may establish alliances (unions).

2. Non-commercial organizations may voluntarily join into alliances (unions) of these organizations.

3. Members of an alliance (union) shall preserve their independence and rights of a legal entity.

4. An association (union) is not responsible for the obligations of its members, unless otherwise provided by the laws of the Republic of Kazakhstan and the constituent documents. Members of the association (union) bear subsidiary responsibility for its obligations in the amount and order provided for by the constituent documents of the association (union), unless otherwise established by the laws of the Republic of Kazakhstan.

5. The members of an alliance (union) shall have the right to retire from an alliance (union) at their discretion in the end of a financial year, unless otherwise provided by the constitutive documents. In this case a member of an alliance (union) shall bear subsidiary responsibility for its liabilities arising before its retirement from association, proportionate to its contribution within two years from the moment of retirement.

A member of an association (union) may be excluded from it by decision of the members of the association (union) in the cases and in the procedure established in the constituent documents of the association (union), unless otherwise stipulated by the laws of the Republic of Kazakhstan. With respect to the liability of the excluded member of the association (union), the rules relating to the withdrawal from the association (union) are applied.

6. With the consent of the members of an alliance (union), a new member of alliance may enter thereto. The admission of a new member into an alliance (union) may be conditioned by its subsidiary responsibility for liabilities of an alliance (union) arising before his (her) admission.

7. Name of an alliance (union) shall contain indication of the main subject of activity of the members of this alliance (union), including the words “alliance” or “union”.

8. An association (union) may carry out activities as a self-regulating organization in accordance with the Law of the Republic of Kazakhstan "On Self-Regulation".

Footnote. Article 18 as amended by Law of the Republic of Kazakhstan No. 15-V dated 27.04.2012 (shall be enforced upon expiry of ten calendar days after its first official publication); № 391-V dated 12.11.2015 (shall be enforced upon expiry of six months after the day its first official publication).

Chapter 3. Establishment, reorganization and liquidation of a non-commercial organization Article 19. Establishment of a non-commercial organization

1. A non-commercial organization may be established by its establishment, as well as in the result of reorganization of an existing non-commercial organization.

A non-commercial organization in legal organizational form of an autonomous educational organization may be established in the result of reorganization of a joint-stock company, in the case, provided by the Law of the Republic of Kazakhstan “On the Status of “Nazarbayev University”, “Nazarbayev Intellectual Schools” and “Nazarbayev Foundation”.

Non-profit organization in the legal form of a non-profit joint stock company or institution may be established as a result of the transformation of the organization of higher and (or) postgraduate education, established as a commercial organization.

A non-profit organization in the organizational and legal form of an autonomous cluster fund may be created as a result of the transformation of a joint-stock company in the case provided for by the Law of the Republic of Kazakhstan "On Innovative Cluster "Park of Innovative Technologies".

2. Creation of a non-commercial organization (with the exception of public and religious associations) through its formation shall be carried out by the decision of the founders (founder).

Creation of public and religious associations shall be carried out in accordance with the laws of the Republic of Kazakhstan.

3. The legal capacity of both a non-commercial organization and a legal entity shall be originated from the moment of its state registration.

The legal capacity of a non-commercial organization in the sphere of activity, on conduct of which, it is necessary to obtain licenses, shall be originated from the moment of obtaining this license.

Footnote. Article 19 as amended by Law of the Republic of Kazakhstan No. 395-IV dated 19.01.2011 (shall be enforced upon expiry of ten calendar days after its first official publication); No. 484-IV dated 11.10.2011 (shall be enforced upon expiry of ten calendar days after its first official publication); No. 537-IV dated 12.01.2012 (shall be enforced upon expiry of ten calendar days after its first official publication); № 208-V dated 10.06.2014 (shall be enforced upon expiry of ten calendar days after the day its first official publication); № 212-V dated 27.06.2014 (shall be enforced upon expiry of ten calendar days after the day its first official publication); No. 171-VI dated 04.07.2018 (shall be enforced upon the expiration of ten calendar days after the date of its first official publication); dated 21.12.2023 No. 49-VIII (shall be enforced ten calendar days after the date of its first official publication).

Article 20. Founders (participants) of a non-profit organization

Footnote. The title of Article 20 in the new wording of Law of the Republic of Kazakhstan № 343-V dated 02.08.2015 (shall be enforced upon expiry of six months after the day its first official publication).

1. The founders of a non-commercial organization, depending on its legal organizational form, may be individuals and (or) legal entities, unless otherwise provided by this Law, other legislative acts of the Republic of Kazakhstan.

2. A non-commercial organization may be instituted by one person, with the exception of cases of instituting of a consumer cooperative, alliances (unions) and other cases, provided by the legislative acts on particular types of non-commercial organizations.

3. A person included in the list of organizations and persons associated with the financing of the proliferation of weapons of mass destruction and (or) in the list of organizations and persons associated with the financing of terrorism and extremism, in accordance with the legislation of the Republic of Kazakhstan, cannot be the founder (participant) of a non-profit organization.

Footnote. Article 20 as amended by Law of the Republic of Kazakhstan № 343-V dated 02.08.2015 (shall be enforced upon expiry of six months after the day its first official

publication); dated 13.05.2020 № 325-VI (shall enter into force upon the expiry of six months after the day of its first official publication).

Article 21. Constitutive documents of a non-commercial organization

1. The constitutive documents of non-commercial organizations shall be:

1) for an institution – the regulations (charter) approved by an owner (owners) and decision of an owner (owners) on establishment;

2) for a fund, a consumer cooperative, a non-commercial joint-stock company, legal entities joined in the form of an alliance (union), other legal organizational forms –the charter approved by the founders and the memorandum;

3) for a public association, a religious association - the charter.

2. Requirements of the constitutive documents of a non-commercial organization shall be compulsory for performing by a non-commercial organization itself, by its founders (members).

3. In case of contradictions between the memorandum and the charter of one non-commercial organization, the terms shall be applied as follows:

1) a constituent contract, if they relate to the relationship of the founders;

2) the terms of the charter, if their application may be important for the relations of a legal entity with third parties.

Footnote. Article 21 as amended by Law of the Republic of Kazakhstan № 49-VI dated 27.02.2017(shall be enforced upon expiry of ten calendar days after the day its first official publication).

Article 22. Charter of a non-commercial organization

1. The charter of a non-commercial organization shall provide:

1) the name, as well as the legal organizational form, the subject and purposes of activity of a non-commercial organization;

2) the location of a non-commercial organization;

3) the structure, procedure of formation and competence of governing bodies of a non-commercial organization;

4) the rights and obligations of the members (participants) of a non-commercial organization;

5) the conditions and procedure for admission to the members of a non-commercial organization and retirement from it (in case, if a non-commercial organization has a membership);

6) the sources of formation of the property of a non-commercial organization;

7) the procedure for introduction of alterations and additions to the constitutive documents of a non-commercial organization;

8) the terms of reorganization and termination of activity of a non-commercial organization;

9) the procedure for use of property in case of liquidation of a non-commercial organization;

10) the information about branches and representative offices.

2. The charter of a non-commercial organization may provide the other provisions, not contradicting the Laws of the Republic of Kazakhstan.

3. If a non-commercial organization is instituted by one person, then the procedure for formation of the property and use of incomes shall also be determined in its charter.

4. Provisions of subparagraphs 4) and 5) of paragraph 1 of this Article shall not apply to the funds. The charter of the fund, besides the information contained in paragraph 1 of this Article, shall contain indications on bodies of the fund, on procedure of appointment of officials of the fund and their dismissal, on destiny of property of the fund in case of its liquidation.

4-1. The provisions of paragraphs 1, subparagraphs 4), 5) and 6) of this Article shall not apply to the professional board of audit activities. The Charter of the professional board of audit activities must contain information in accordance with the Law of the Republic of Kazakhstan "On audit activities".

5. The charter of a consumer cooperative shall contain conditions on the size of shares of the cooperative members, on structure and procedure of contribution of shares by the members of a cooperative and their responsibility for violation of a liability in relation to contribution of a share, on membership and competence of cooperative's governing bodies and procedure for adopting decisions by them, as well as on the issues, the decisions on which shall be made unanimously or by qualified majority of votes, on procedure of indemnifying losses by the cooperative members incurred by them, besides information, contained in paragraph 1 of this Article.

6. The charter of bar associations shall contain the procedure for suspension of membership, procedure for establishment and activity of legal consultation offices, sources of formation of the property and procedure for disposal thereof, the procedure of payment of membership fees, procedure of rendering free legal assistance by lawyers and procedure of allocation of legal assistance among lawyers under the assignment of a court, agencies of inquiry and preliminary investigation, procedure of certification of lawyers, disciplinary responsibility of the members of bar association and probationers of lawyers and procedure of bringing them to it, procedure of application for forfeiture of a lawyer's license.

6-1. The charter of the Republican bar association shall contain the structure of the Republican bar association, the procedure of formation and competence of its bodies, sources of property formation and the procedure of its disposal, the amount of deductions, carried out by the bar associations, as well as the procedure of reorganization and liquidation of the Republican bar association.

7. The constitutive documents of an alliance (union) shall also contain the conditions of membership and competence of their bodies, procedure of making decisions by them and procedure of distribution of property remaining after liquidation of an alliance (union).

8. Alterations and additions to the charter of a non-commercial organization shall be introduced by decision of its supreme body (general meeting, congress, conference, and founder). Alterations and additions shall be introduced to the charter of the fund by the governing body of the fund, if this right is granted to him (her) by the charter.

9. The charter of a non-commercial joint-stock company shall also contain the indication on the fact that a company shall be a non-commercial organization, provisions of the procedure of voting, non-payment of dividends and other requirements, established by the legislative acts of the Republic of Kazakhstan.

Footnote. Article 22 as amended by Laws of the Republic of Kazakhstan No. 222 dated 12.01.2007 (shall be enforced upon expiry of 6 months from the date of its official publication); No. 523-IV dated 28.12.2011 (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.07.2020 № 358-VI (shall enter into force upon the expiry of one year after the day of its first official publication).

Article 23. Memorandum

1. A memorandum - an agreement of founders on establishment of a non-commercial organization, wherein the procedure of joint operations on its establishment, conditions of transfer to its ownership (operative management) of owned property and participation in its activity shall be determined. The terms and the procedure of activity management of a non-commercial organization, cessation of the founders from its membership, unless otherwise provided by the legislative acts on particular types of non-commercial organizations shall also be determined in it.

By the agreement of founders, the memorandum may include the other terms, not contradicting the legislation of the Republic of Kazakhstan.

2. The memorandum shall be signed by all of the founders or the persons, authorized by them.

3. In the event that a foundation, a private institution, an autonomous organization of education, an autonomous cluster fund are founded by one person, a constituent agreement is not concluded.

The memorandum shall not be concluded upon the formation of the National board of entrepreneurs of the Republic of Kazakhstan and boards of entrepreneurs of oblasts, cities of republican significance and the capital.

Footnote. Article 23 as amended by Laws of the Republic of Kazakhstan No. 395-IV dated 19.01.2011 (shall be enforced upon expiry of ten calendar days after its first official publication); No. 130-V dated 04.07.2013 (shall be enforced upon expiry of ten calendar days

after its first official publication); № 208-V dated 10.06.2014 (shall be enforced upon expiry of ten calendar days after the day its first official publication).

Article 24. Branches and representative offices of a non-commercial organization

1. A non-commercial organization may establish the branches and open representative offices in the territory of the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan.

Public and religious associations, institutions may establish their structural subdivisions in accordance with the legislative acts on these organizations.

2. A branch of a non-commercial organization shall be a separate subdivision of a non-commercial organization located out of the place of its location and carrying out all or a part of its functions, as well as the functions of representative offices.

3. A representative office of a non-commercial organization shall be a separate subdivision of a non-commercial organization located out of its place of location and carrying out protection and interest intermediation of a non-commercial organization, making transactions and other legal actions on its behalf.

4. The branches and representative offices shall not be legal entities. They shall be provided with the property of a non-commercial organization, established them and act on the basis of the provision, approved by it. The property of a branch or representative office shall be recorded in a separate balance sheet and in the balance sheet of the non-commercial organization, established them.

5. Directors of the branches and representative offices of non-commercial organizations (with the exception of social and religious associations) shall be appointed by an authorized body of a non-commercial organization and they shall act on the basis of its power of attorney

Directors of structural subdivisions (branches and representative offices) of a public association shall be elected in the order, provided by the charter of a public association and the provision of its branch or representative office.

Directors of structural subdivisions (branches and representative offices) of religious associations shall be elected or appointed in the order, provided for by the charter of a religious association and the provision of its branch or representative office.

6. A branch and representative office shall carry out activity on behalf of a non-commercial organization, established them. A liability for activity of a branch or representative office shall be borne by a non-commercial organization, established them.

6-1. The name of a branch and representative office of a non-commercial organization shall contain the indication of the name of a non-commercial organization, established them.

7. Branches and representative offices of a non-commercial organization shall be subject to record registration, and in case of change of the name, they shall be subject to re-registration.

The procedure and terms of a record registration (re-registration) shall be determined by the legislation of the Republic of Kazakhstan on the state registration of the legal entities and record registration of branches and representative offices.

Footnote. Article 24 as amended by Laws of the Republic of Kazakhstan No. 537 dated 18.03.2004 (shall be enforced upon expiry of six months from the date of its official publication); No. 60-V dated 24.12.2012 (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 25. Reorganization of a non-commercial organization

1. A non-commercial organization may be reorganized in the manner, provided by the Civil Code of the Republic of Kazakhstan, this Law, and other legislative acts.

2. A non-commercial organization may be reorganized in the form of merger, affiliation, division, segregation, reformation and in other forms provided by the legislation.

3. A non-commercial organization shall be recognized as reorganized, with the exception of cases of reorganization in the form of affiliation, from the moment of the state registration of a newly formed organization (organizations).

During reorganization of a non-commercial organization in the form of affiliation of another organization thereto, the first of them shall be recognized as reorganized from the moment of entry of the data on termination of activity of affiliated organization into the National register of business identification numbers.

4. The state registration of a newly established organization (organizations) in the result of reorganization and entry of the data on termination of activity of reorganized organization (organizations) into the National register of business identification numbers 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 branches and representative offices.

Footnote. Article 25 as amended by Law of the Republic of Kazakhstan No. 60-V dated 24.12.2012 (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 26. Liquidation of a non-commercial organization

1. A non-commercial organization may be liquidated on voluntary basis (by decision of an owner of his (her) property or a body, authorized by the owner, as well as by decision of a body of a legal entity, authorized by the constitutive documents) and on compulsory basis (by court decision) on the basis and in the manner, provided by the Civil Code of the Republic of Kazakhstan, this Law and other legislative acts.

2. Founders (participants) of a non-commercial organization or a body, adopted decision on liquidation of a non-commercial organization shall be obliged to immediately inform a body of justice about that in writing, carrying out the registration of legal entities.

Founders or a body, adopted decision on liquidation of a non-commercial organization shall appoint a liquidation commission and establish the procedure and terms of liquidation of a non-commercial organization in accordance with the Civil Code of the Republic of Kazakhstan and this Law.

3. Upon the appointment of a liquidation commission, the powers related to management of the property and affairs of a non-commercial organization shall be transferred to it. The liquidation commission shall appear before court on behalf of a non-commercial organization, being liquidated.

Article 27. Procedure for liquidation of a non-commercial organization

1. Liquidation commission shall publish information about liquidation of a legal entity, as well as about procedure and term of laying claims by its creditors in official printed publications of the central body of justice. The term for laying claims may not be less than two months from the date of publication on liquidation of a non-commercial organization.

Liquidation commission shall take actions on detecting creditors and obtaining debt, removal of the branches and representative offices from account, as well as notifying the creditors in writing about the liquidation of a non-commercial organization.

2. Upon expiry of the term for laying claims by the creditors the liquidation commission shall draw up the interim liquidation balance sheet, that shall contain information about structure of property of a non-commercial organization being liquidated, a list of claims, made by creditors, as well as the results of their consideration.

An interim liquidation balance sheet shall be approved by the owner of property of a non-commercial organization or a body, adopted decision on liquidation of a non-commercial organization.

3. If a non-commercial organization (with the exception of the state institutions) being liquidated has not sufficient money in order to satisfy requirements of the creditors, the liquidation commission shall carry out selling the property of a non-commercial organization by public bidding in the manner, established for the execution of judicial decisions.

4. Money shall be paid to the creditors of a non-commercial organization being liquidated by a liquidation commission in order of priority, established by Article 51 of the Civil Code of the Republic of Kazakhstan, in accordance with interim liquidation balance sheet, commencing from the date of its approval.

5. After completion of the settlement of payments with creditors, the liquidation commission shall make up a liquidation balance sheet that shall be approved by an owner of property of a non-commercial organization or a body, adopted decision on liquidation of a non-commercial organization.

6. In case of insufficient of the funds of an institution, being liquidated to satisfy claims of the creditors, the latter shall have the right to file an action with the court on satisfaction of remaining claims at the expense of an owner of property of that institution.

Footnote. Article 27 as amended by Law of the Republic of Kazakhstan No. 537 dated 18 March, 2004. (shall be enforced upon expiry of six months from the date of its official publication).

Article 28. Property of a non-commercial organization, being liquidated

1. In case of liquidation of a non-commercial organization, the property remaining after the satisfaction of creditors' claims shall be used for the purposes, specified in the constitutive documents, unless the other order provided by the legislative acts.

In case, when a non-commercial organization used tax and other benefits and existed on contributions of the members and (or) founders, the incomes from its activity, donations from the public, obtained grants from the state or non-state organizations, the property remaining in case of liquidation after settlement of payments with the creditors may not be redistributed between the members, founders, officials or employees of the organization, and shall be used in accordance with the charter of the organization for its charter purposes. If the charter of an organization does not provide this procedure, then by decision of a body, adopted the decision on liquidation, the remaining property may be transferred to non-commercial organization pursuing the same purposes or those that are similar to the purposes of an organization, being liquidated.

2. In case of liquidation of a consumer cooperative or retirement of a member of cooperative, it shall have the right to separation of its share in the property of a consumer cooperative proportionate to its share.

In case of death of a member of a consumer cooperative, its successors shall have the preliminary right to be admitted as members of a cooperative, unless otherwise provided by the legislative acts and the charter of a cooperative. In the latter case, the cooperative shall pay an interest in the property of the consumer cooperative, proportionate to its share to successors.

3. The founders shall preserve the right of ownership to the property of an institution.

4. Property of a non-commercial joint-stock company remaining after settlement of payments with the creditors shall be distributed between all of the shareholders, proportionate to the number of shares held by them.

Footnote. Article 28 as amended by Law of the Republic of Kazakhstan No. 416 dated 16 May, 2003; № 373-V dated 29.10.2015 (shall be enforced from 01.01.2016).

Article 29. Completion of liquidation of a non-commercial organization

Liquidation of a non-commercial organization shall be recognized as completed and a non-commercial organization shall be recognized as terminated after entry a data on this to the National register of business identification numbers.

Footnote. Article 29 in the new wording of Law of the Republic of Kazakhstan No. 60-V dated 24.12.2012 (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 30. *Article 30 is excluded by Law of the Republic of Kazakhstan No. 537 dated 18 March, 2004 (shall be enforced upon expiry of six months from the date of its official publishing).*

Article 31. The state registration and re-registration of a non-commercial organization

The state registration and re-registration of a non-commercial organization shall be carried out in the manner, established by the legislation on the state registration of legal entities and record registration of branches and representative offices.

Footnote. Article 31 as amended by Law of the Republic of Kazakhstan No. 60-V dated 24.12.2012 (shall be enforced upon expiry of ten calendar days after its first official publication).

Chapter 4. Activity of non-commercial organizations Article 32. Types of activity of a non-commercial organization

1. A non-commercial organization may carry out one type of activity or several types of activity, not prohibited by the legislation of the Republic of Kazakhstan and conform to the relevant purposes of activity of a non-commercial organization, provided for by its constitutive documents.

2. The legislative acts of the Republic of Kazakhstan may establish the restrictions on the types of activity that non-commercial organizations of particular legal organizational forms shall have the right to carry out.

3. In accordance with the legislative acts, the non-commercial organizations may carry out particular types of activity only on the basis of licenses.

Article 33. Right of a non-commercial organization to carry out entrepreneurial activity

1. A non-commercial organization may carry out entrepreneurial activity only insofar as this corresponds to its charter purposes.

2. The legislative acts of the Republic of Kazakhstan may establish restrictions on entrepreneurial activity of non-commercial organizations of particular legal organizational forms.

3. A non-commercial organization shall keep record of incomes and expenses on entrepreneurial activity.

4. The taxation of entrepreneurial activity of non-commercial organizations shall be carried out in accordance with the tax legislation of the Republic of Kazakhstan.

5. Revenues from the entrepreneurial activities of non-profit organizations may not be distributed among members (participants) of non-profit organizations and are channeled to statutory goals. It is allowed to use own funds for charitable assistance by the public and religious associations, foundations.

Footnote. Article 33 as amended by Law of the Republic of Kazakhstan № 403-V dated 16.11.2015 (shall be enforced upon expiry of ten calendar days after the day its first official publication).

Article 34. Property of a non-commercial organization

1. A non-commercial organization may own or carry out operative management of the objects, property, required for material support of activity, provided by its charter, as well as organizations, established at the expense of its funds, with the exception of particular types of property that in accordance with the legislative acts may not be owned by non-commercial organizations.

A religious association shall have the right of ownership to the property, acquired or established by it at the expense of own funds, contributed by citizens, organizations or transferred by the state and acquired on the other grounds that shall not contradict the legislative acts.

An institution shall not have the right to alienate on its own or otherwise dispose of property, assigned to it and property, acquired at the expense of the funds, allocated to it according to the cost estimate.

2. A non-commercial organization (with the exception of institutions) shall be responsible for its liabilities with all property belonging to it.

Article 35. Sources of formation of the property of a non-commercial organization

1. In accordance with the legislative acts, the sources of formation of the property of a non-commercial organization in money terms and in other forms shall be:

1) receivables from founders (participants, members);

2) voluntary property contributions and donations;

2-1) mandatory asset contributions in cases provided for by the laws of the Republic of Kazakhstan;

3) proceeds (income) from sale of goods, works, services in cases, established by the legislation;

4) dividends (incomes, fee (interest) obtained for shares, debentures, other securities and contributions (deposits);

5) other receivables, not prohibited by the Law.

2. The legislative acts may establish restrictions on sources of incomes of non-commercial organizations of particular types.

3. The procedure of obtaining financial and other resources from founders (members) shall be determined by the constitutive documents of a non-commercial organization.

4. Contributions of founders to formation of the property of a non-commercial organization in kind and in other forms, except money, shall be assessed in money terms under the agreement between all of the founders. If the value of such a contribution exceeds amount equivalent to twenty thousand of monthly calculated indices, then assessment thereof shall be confirmed by an auditing organization.

Footnote. Article 35 as amended by Law of the Republic of Kazakhstan No. 139 dated 5 May, 2006 (See Article 2 of Law of the Republic of Kazakhstan No. 139 for the enactment procedure); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 36. Conflict of interests

1. Transactions between a non-commercial organization and concerned persons linked with disposal of the property of an organization shall assume a conflict of interests.

2. Concerned persons shall be recognized as the members of the governing body (managing board) of a non-commercial organization, as well as persons that in the view of their relations with the organization may have influence on disposal by organization of its property, concluding transactions with their organization on their own or through a representative.

3. Conflict of interests shall be also assumed, if a non-commercial organization concludes transactions with relatives of concerned persons, as well as their creditors.

Article 37. Resolution of the conflict of interests

A transaction, that shall assume the conflict of interests, shall be approved by an authorized body of a non-commercial organization. A concerned person shall inform an authorized body of the organization about assumed conclusion of such a transaction.

Concerned person shall bear responsibility for indemnity for losses caused to a non-commercial organization as a result of this transaction, concluded in existence of conflict of interests, unless a transaction was approved by an authorized body.

In addition to indemnity for losses, this concerned person shall also pay back to a non-commercial organization the whole amount of income, derived by this person as the result of conclusion of this transaction.

If losses resulted from actions of several concerned persons, they shall bear joint responsibility to non-commercial organization.

Chapter 5. Management of a non-commercial organization Article 38. Principle of management of a non-commercial organization

The structure, competence, procedure of formation and term of powers of the governing bodies of a non-commercial organization, the procedure of decision-making and the presentation on behalf of a non-commercial organization shall be established by the legislation and the constitutive documents of a non-commercial organization.

Article 39. Governing bodies of a non-commercial organization

1. The management bodies of a non-profit organization, with the exception of state institutions, the professional board of audit activities, in accordance with their constituent documents shall be:

1) the supreme governing body (general meeting, congress, conference, founder, board of trustees) – shall have the right to make decisions on any issues of a non-commercial organization's activity;

2) the executive governing body (collegial or sole) shall carry out operative management of activity of a non-commercial organization, with the exception of issues referred by the constitutive documents of a non-commercial organization to the exclusive competence of the supreme governing body, shall be accountable to this body;

3) the controlling body (auditing committee, auditor), elected or appointed by the governing bodies of a non-commercial organization;

4) other bodies in accordance with the laws and constituent documents of a non-profit organization.

2. The exclusive competence of the highest management body of a non-profit organization, with the exception of the professional board of audit activities, shall include:

1) adoption, introduction of alterations and additions to the constitutive documents of a non-commercial organization;

2) voluntary reorganization and liquidation of a non-commercial organization;

3) determination of competence, organizational structure, procedure for formation and termination of powers of the governing bodies of a non-commercial organization;

4) determination of the procedure and periodicity of presentation of the financial statements of the executive bodies, as well as the procedure of examination to be carried out by the controlling body and approval of their results;

5) adoption, within the limits established by legislative acts, of the decision on participation of a non-profit organization in establishment or activities of other legal entities, its branches and representative offices.

In accordance with the legislative acts, the constitutive documents of a non-commercial organization may include other issues of activity of this organization in the exclusive competence of the supreme governing body.

3. A non-commercial organization shall not have the right to pay fee to the members of its supreme governing body for performance of functions entrusted to them, with the exception

of compensation for expenses directly linked with participation in work of the supreme governing body.

4. The labour legislation of the Republic of Kazakhstan and legislation of the Republic of Kazakhstan on social security and insurance shall apply to staff employees of non-commercial organizations, working under employment agreement.

5. The provisions of paragraphs 1 to 3 of this article do not apply to autonomous educational organizations and an autonomous cluster fund.

6. Special aspects of legal status of governing bodies of the National board of entrepreneurs of the Republic of Kazakhstan shall be determined in accordance with the Law of the Republic of Kazakhstan “the National board of entrepreneurs of the Republic of Kazakhstan”.

7. The peculiarities of the legal situation of the management bodies of the professional board of audit activities shall be determined in accordance with the Law of the Republic of Kazakhstan "On audit activities".

Footnote. Article 39 as amended by Laws of the Republic of Kazakhstan No. 253 dated 15.05.2007; No. 395-IV dated 19.01.2011 (shall be enforced upon expiry of ten calendar days after its first official publication); No. 130-V dated 04.07.2013 (shall be enforced upon expiry of ten calendar days after its first official publication); № 208-V dated 10.06.2014 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 391 -V dated 12.11.2015 (shall be enforced upon expiry of six months after the day its first official publication); № 433-V dated 03.12.2015 (shall be enforced from 01.01.2016); dated 03.07.2020 № 358-VI (shall enter into force upon the expiry of one year after the day of its first official publication); dated 04.07.2022 No. 134-VII (shall be enforced sixty calendar days after the date of its first official publication).

Chapter 6. The state and non-commercial organizations Article 40. The state and non-commercial organizations

1. The State shall encourage the formation and vigorous activity of non-commercial organizations. Non-commercial organizations may be granted by tax, customs and other benefits in accordance with the legislation of the Republic of Kazakhstan.

2. Non-commercial organizations in accordance with the purposes of their activity may cooperate with the state bodies, concluding agreements with them and perform certain works for them.

Article 41. Control of activity of a non-commercial organization

1. A non-commercial organization shall keep accounting records and provide statistical data to the authorized body in the scope of the state statistics in the manner, provided by the legislation of the Republic of Kazakhstan.

2. A non-profit organization provides information on its activities to an authorized body in the field of state statistics and state revenue bodies, founders and other persons in accordance with the legislation of the Republic of Kazakhstan and constituent documents of a non-profit organization.

A non-profit organization that carries out activities at the expense of funds provided free of charge by foreign states, international and foreign organizations, foreigners and stateless persons submits a report on the use of these funds to state revenue bodies in accordance with the legislation of the Republic of Kazakhstan.

3. Branches and representative offices (separate subdivisions) of foreign and international non-commercial organizations, carrying out activity in the Republic of Kazakhstan shall annually publish information about their activity, in prints, as well as information about their founders, structure of property, sources of formation and expenditure of funds.

4. Amounts and structure of incomes of a non-commercial organization, as well as information about amounts and structure of property of a non-commercial organization, its expenses, number and membership of employees, remuneration of their labour, and use of labour of individuals in activity of a non-commercial organization without compensation may not be the subject of commercial secret.

5. Non-profit organizations established in the form of a private institution, public Association, non-profit joint stock company, public, corporate and private foundations, Association of legal entities in the form of an Association (Union), as well as branches and representative offices (separate units) of foreign and international non-profit organizations operating in the territory of the Republic of Kazakhstan, annually until March 31, submit to the authorized body in the field of interaction with non-governmental organizations information about their activities, including about the founders (participants), structure of property, sources of formation and the directions of expenditure of money, in the order determined by authorized body in the sphere of interaction with non-governmental organizations.

Footnote. Article 41 is in the wording of Law of the Republic of Kazakhstan No. 67 dated 08.07.2005 (See Article 2 for the enactment procedure); as amended by Law of the Republic of Kazakhstan No. 258-IV dated 19.03.2010; № 248-V dated 07.11.2014 (shall be enforced upon expiry of ten calendar days after the day its first official publication); № 429-V dated 02.12.2015 (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 13.06.2018 № 160-VI (shall be enforced upon the expiration of ten calendar days after the day of its first official publication).

Article 42. Suspension of activity of a non-commercial organization

1. A non-commercial organization's activity may be suspended for a period of three to six months by a court ruling based on submission of the prosecutor's office in cases of violation of the Constitution of the Republic of Kazakhstan and the legislation of the Republic of

Kazakhstan or the commission of actions by the non-profit organization two or more times within one calendar year that go beyond the scope of the subject and goals of the activity established by its charter.

2. If activity of a non-commercial organization, provided in paragraph 1 of this Article, is suspended, it shall be prohibited to carry out activity, provided for by the constitutive documents. Its right to use bank accounts shall also be suspended, with the exception of settlement of payments under employment agreements, indemnity for losses, caused in the result of its activity and payment of penalties.

If during the fixed period of the suspension of activity, a non-commercial organization shall remedy the violations, giving occasion to suspension of its activity, then after the end of mentioned period a non-commercial organization shall resume its activity. In case of failure to remedy the violations by a non-commercial organization, the prosecution bodies shall have the right to file an action with the court for its liquidation.

3. The court, made decision on suspension of activity of a non-commercial organization, shall have the right to remove that restriction in advance in connection with remedy of violation on application of a non-commercial organization.

Footnote. Article 42 as amended by the Law of the Republic of Kazakhstan dated 29.06.2020 No. 352-VI (shall be enforced ten calendar days after the date of its first official publication).

Article 43. Responsibility of a non-commercial organization, individuals and legal entities

1. Violation of the Laws shall entail responsibility of a non-commercial organization in the manner, provided by the legislative acts of the Republic of Kazakhstan.

2. The responsibility for the violation of the Laws on non-commercial organizations shall be borne by individuals and legal entities, as well as officials of the state bodies that are guilty therefore.

*The President
of the Republic of Kazakhstan*