



AIFC GENERAL PARTNERSHIP REGULATIONS

AIFC REGULATIONS No. 5 OF 2017

(with amendments as of 5 July 2019, which
commence on 5 July 2019)

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Nur-Sultan, Kazakhstan



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PART 1: GENERAL

1. Name

These Regulations are the *AIFC General Partnership Regulations 2017*.

2. Date of enactment

These Regulations are enacted on the day they are adopted by the Governor.

3. Commencement

These Regulations commence on 1 January 2018.

4. Legislative authority

These Regulations are adopted by the Governor under paragraph 1 of article 3 and article 4 of the Constitutional Statute and subparagraph 3-1) of paragraph 9 of the Management Council Resolution on AIFC Bodies.

5. Application of these Regulations

These Regulations apply within the jurisdiction of the AIFC.

6. Interpretation

Schedule 1 contains definitions and other interpretative provisions used in these Regulations.

7. Administration of these Regulations

These Regulations are administered by the Registrar of Companies.



PART 2: FORMATION AND REGISTRATION

8. What is a general partnership

A general partnership is a relationship which exists between 2 or more Persons jointly conducting any business, purpose or activity with a view to making a profit.

9. Prohibition on unregistered general partnerships

(1) Two or more Persons must not conduct any business, purpose or activity in or from the AIFC as a general partnership unless the general partnership:

(a) is either:

(i) formed in the AIFC as a general partnership and registered under section 12; or

(ii) formed outside the AIFC as a general partnership and registered under section 13 as a Recognised Partnership; and

(b) **[intentionally omitted]**

(2) **[intentionally omitted]**

(3) Contravention of this section is punishable by a fine.

10. General partnership agreement

Each partner of a general partnership formed in the AIFC must enter into a partnership agreement signed by all the partners.

11. Presumptions for existence of general partnership

In the absence of a partnership agreement, an unincorporated body of Persons that conducts any business, purpose or activity in or from the AIFC with a view to making profit is taken to be a general partnership unless:

(a) an agreement or articles of association exists between the Persons and specifies that the relationship between them is that of an unincorporated association or a body corporate; or

(b) none of the Persons hold themselves out or represent themselves as being members of a partnership.

12. Registration as General Partnership

(1) On the formation of a general partnership in the AIFC, the partners may apply for registration of the general partnership, and for the registration of each of the partners, by signing, and filing with the Registrar of Companies, an application for registration.

(2) The application must set out:

(a) name of the general partnership, which must end with the word 'Partnership' or 'and Partners' or '& Co.'; and



- (b) the address of the registered office of the general partnership in the AIFC; and
 - (c) the nature of the business, purpose or activity to be conducted by the general partnership in or from the AIFC; and
 - (d) the name and address of each of the partners of the general partnership; and
 - (e) the particulars required by Part 14-1 (ULTIMATE BENEFICIAL OWNERS) of the AIFC Companies Regulations.
- (3) The Registrar of Companies may require the partners to provide additional information reasonably required by the Registrar of Companies to decide the application.
 - (4) The Registrar of Companies may refuse to register a general partnership, or any partner of a general partnership, under this section for any reason the Registrar of Companies considers to be a proper reason for refusing the registration.
 - (5) The Registrar of Companies may register a general partnership, and the partners of the partnership, under this section in accordance with the Rules.
 - (6) A general partnership formed in the AIFC is registered under this section as a General Partnership.

13. Registration as Recognised Partnership

- (1) The partners of a general partnership formed outside of the AIFC may apply for the registration of the partnership as a Recognised Partnership, and for the registration of each of the partners, by signing, and filing with the Registrar of Companies, an application for registration.
- (2) The application must set out:
 - (a) the name of the general partnership; and
 - (b) the address for service of the general partnership in the AIFC, and the name and address of the Person authorised to accept service of any document on behalf of the partnership; and
 - (c) the nature of the business, purpose or activity to be conducted by the general partnership in or from the AIFC; and
 - (d) the name and address of each of the partners of the general partnership.
- (3) The Registrar of Companies may require the partners to provide additional information reasonably required by the Registrar of Companies to decide the application.
- (4) The Registrar of Companies may refuse to register a general partnership, or any partner of a general partnership, under this section for any reason the Registrar of Companies considers to be a proper reason for refusing the registration.
- (5) The Registrar of Companies may register a general partnership, and the partners of the partnership, under this section in accordance with the Rules.
- (6) A general partnership formed outside the AIFC is registered under this section as a Recognised Partnership.



14. Notification of change in Registered Details of General or Recognised Partnership

- (1) This section applies if there is a change in:
 - (a) the constitution of a General Partnership or Recognised Partnership, by the incoming or outgoing of any partner; or
 - (b) the name of a General Partnership, Recognised Partnership, or the Person authorised to accept service of any document on behalf of the Recognised Partnership; or
 - (c) any other particulars relating to the Registered Details of the General Partnership, Recognised Partnership, or the Person authorised to accept service of any document on behalf of the Recognised Partnership including a change of address for service.
- (2) The General Partnership or Recognised Partnership must notify the Registrar of Companies in Writing of the change within 14 days after the day the change happens and must comply with all other requirements applying to the partnership under the Rules in relation to the change.
- (3) Contravention of this section is punishable by a fine.

15. Power to refuse registration of change of name and require change of name

- (1) The Registrar of Companies may refuse to register a change of name of a General Partnership if, in the Registrar of Companies' opinion, the proposed name is, or is reasonably likely to become, misleading, deceptive, conflicting with another name (including an existing name of another partnership) or otherwise undesirable.
- (2) If, in the Registrar of Companies' opinion, the name by which a General Partnership is registered is, has become, or is reasonably likely to become, misleading, deceptive, conflicting with another name (including an existing name of another partnership), or otherwise undesirable, the Registrar of Companies may direct the partnership to change it.
- (3) A General Partnership must comply with a direction given by the Registrar of Companies under subsection (2) within 30 days after the date specified in the direction unless the Registrar of Companies allows a longer period to comply with the direction.
- (4) Contravention of subsection (3) is punishable by a fine.



PART 3: ADMINISTRATION OF AFFAIRS OF PARTNERSHIPS

16. Registered office and conduct of business etc. of partnerships

- (1) A General Partnership that conducts any business, purpose or activity in or from the AIFC must, at all times, have a registered office in the AIFC to which all communications and notices to the partnership may be addressed.
- (2) A General Partnership must conduct its principal business, purpose or activity in the AIFC, unless the Registrar of Companies otherwise permits, but may also conduct the same outside the AIFC.
- (3) A document may be served on a General Partnership by leaving it at, or sending it by post to, the registered office of the partnership in the AIFC.
- (4) A Recognised Partnership must appoint and retain at all times at least 1 Person who is authorised to accept service of any Document on behalf of the partnership and to do anything else for the partnership prescribed by the Rules.
- (5) A Recognised Partnership must, at all times, have an address for service in the AIFC.
- (6) A document may be served on (however described) a Recognised Partnership:
 - (a) sending it by post to the address for service of the Recognised Partnership in the AIFC; or
 - (b) serving it on the Person authorised to accept service on behalf of the Recognised Partnership.
- (7) Contravention of this section is punishable by a fine.

17. Management of General Partnership

Unless otherwise agreed by all the partners of a General Partnership:

- (a) every partner must take part in the management of the partnership business, purpose or activity; and
- (b) a Person may not become a partner without the consent of all of the existing partners; and
- (c) any difference arising about ordinary matters connected with the partnership business, purpose and activity may be decided by a majority of the partners, but no change may be made in the nature of the partnership business, purpose or activity without the consent of all of the existing partners.

18. Particulars in partnership communications

- (1) A General Partnership must ensure that its name, and the address of its registered office, appear in legible characters in all of its letterheads, order forms, receipts, correspondence and other communications.
- (2) A Recognised Partnership must ensure that, in relation to the business, purpose or activity it conducts in or from the AIFC, its name, and its address for service, appear in legible characters in all of its letterheads, order forms, receipts, correspondence and other



communications.

- (3) Contravention of this section is punishable by a fine.

19. Accounting Records of General Partnership

- (1) The General Partnership must keep Accounting Records that are sufficient to show and explain its transactions so as to:
- (a) disclose with reasonable accuracy the financial position of the partnership at any time; and
 - (b) enable the partners to ensure that any accounts prepared by the partnership under this Part comply with the requirements of these Regulations and the Rules.
- (2) A General Partnership must ensure that its Accounting Records are:
- (a) kept at the place that the partners consider appropriate, except so far as the Rules otherwise require; and
 - (b) preserved by the partnership for at least 6 years after the day they are created or, if the Rules prescribe another period, the other period; and
 - (c) open to inspection by a partner or auditor of the partnership at all reasonable times; and
 - (d) otherwise kept and maintained in such manner as may be prescribed in the Rules.
- (2-1) If a General Partnership, for whatever reason, ceases to exist or ceases to be a General Partnership within the meaning of these Regulations, the partners immediately before the General Partnership ceases to exist or ceases to be a General Partnership shall ensure that its Accounting Records are preserved for at least 6 years after the date of such cessation.
- (3) Contravention of this section is punishable by a fine.

20. Accounts of General Partnership

- (1) The partners of a General Partnership must ensure that accounts are prepared in relation to each financial year of the partnership and that the accounts comply with the requirements of this section.
- (2) The accounts must:
- (a) be prepared in accordance with accounting principles or standards prescribed by the Rules or otherwise prescribed by the Registrar of Companies; and
 - (b) show a true and fair view of the profit or loss of the partnership for the period and of the state of the partnership's affairs at the end of the period; and
 - (c) comply with any other requirements of these Regulations and the Rules.
- (3) Within 6 months after the end of a General Partnership's financial year, the partners must



approve the partnership's accounts and must ensure that they are signed on their behalf by at least 1 of them.

- (4) A General Partnership must file its accounts for a financial year with the Registrar of Companies within 7 days after the day the accounts are approved by the partners.
- (5) It is not necessary for a General Partnership to appoint an auditor or have its accounts audited, unless this is required by the Rules or its partnership agreement.
- (6) Contravention of this section is punishable by a fine.

21. Records of General Partnership

Unless otherwise agreed by all the partners of a General Partnership:

- (a) the partnership Records must be kept at the registered place of business of the partnership in the AIFC; and
- (b) every partner is entitled to access to any Records or other information of the partnership.



PART 4: DUTIES OF THE PARTNERS

22. Accountability of partners

- (1) Unless otherwise agreed by all the partners of a General Partnership, a partner must account to the partnership for, and hold in a fiduciary capacity, any property, profit or benefit derived by the partner in the conduct of the partnership's business, purpose or activity derived from a use by the partner of the partnership's property, name or connections.
- (2) Without limiting subsection (1), that subsection also applies to transactions undertaken after the General Partnership has been dissolved by the death of a partner and before the affairs of the partnership have been completely wound up, either by any surviving partner or by the representatives of the deceased partner.

23. Duty of partner not to compete with General Partnership

- (1) Unless otherwise agreed by all the partners of a General Partnership, a partner must refrain from competing with the partnership in the conduct of the partnership's business, purpose or activity before the dissolution of the partnership.
- (2) If a partner, without the consent of the other partners of a General Partnership, conducts any business, or undertakes any transaction, competing with the partnership's business, purpose or activity, the partner must account for, and pay over to the partnership, any profits made by the partner from that business or transaction.



PART 5: GENERAL PARTNERSHIP AUTHORISATION

CHAPTER 1—AUTHORISATION

24. Power of partner to bind General Partnership

- (1) Each partner of a General Partnership is an agent of the partnership for the purpose of the partnership's business, purpose or activity.
- (2) An act of a partner of a General Partnership in the ordinary course of the partnership's business, purpose or activity binds the partnership, unless:
 - (a) the partner had no authority to act for the partnership in the particular matter and the Person with whom the partner was dealing had notice that the partner had no authority; or
 - (b) there are circumstances of fraud or misrepresentation.
- (3) If the partners of a General Partnership agree that a restriction should apply to the power of any 1 or more of them to bind the partnership, nothing done in contravention of the restriction is binding on the partnership in relation to Persons having notice of the restriction.

25. General Partnership legal person

- (1) The General Partnership is a legal person and can sue and be sued in its own name.
- (2) Subsection (1) does not alter the joint and several liability of the partners.

26. Partners bound by acts on behalf of General Partnership

Without limiting section 24, an act or instrument relating to the business, purpose or activity of a General Partnership is binding on the partnership if it is done or executed in the partnership's name, or in any other way showing an intention to bind the Partnership, by any authorised Person (whether a partner or not).

27. Partner using resources of General Partnership for private purposes

Unless otherwise agreed by all the partners of a General Partnership, a partner must not use information, money or property of the partnership for a purpose other than the business, purpose or activity conducted by the partnership.

28. Indemnification of partners of General Partnership etc.

Subject to the partnership agreement of a General Partnership, the partnership may indemnify any partner or other Person from and against any and all claims and demands of any kind.

CHAPTER 2—LIABILITIES OF GENERAL PARTNERSHIP

29. Liability of partners of General Partnership

- (1) Unless otherwise agreed by all the other partners of a General Partnership, a partner is liable, jointly and severally with the other partners, for all debts and obligations of the partnership incurred while the partner is a partner.



- (2) Subject to section 35(3) (Liabilities of incoming and outgoing partners), on the death of a partner or former partner (the deceased partner), the deceased partner's estate remains liable, in the same way as the deceased partner would have been had the deceased partner lived, for the debts and obligations incurred by the deceased partner during the time the deceased partner was a partner, so far as they remain unsatisfied and until the affairs of the partnership have been completely wound up.

30. Liability of General Partnership

A General Partnership is liable for any wrongful act, omission, loss or injury as a result of any partner acting in the ordinary course of the business, purpose or activity of the partnership or with the authority of the other partners.

31. General Partnership: safe keeping of money and property

- (1) If a partner of a General Partnership receives money or property in a fiduciary capacity belonging to another Person, the partner must place the money or property in safe keeping and make appropriate arrangements to preserve the money or property held on behalf of the other Person.
- (2) Subsection (1) is subject to any agreement with the other Person about the application of the money or property and to any other obligations at law.

32. General Partnership: misapplication of money or property

- (1) This section applies if:
 - (a) a partner in a General Partnership, acting within the scope of the partner's apparent authority, receives money or property in a fiduciary capacity on behalf of a third Person and misapplies it; or
 - (b) a partner in a General Partnership, in the course of the partnership's business, purpose or activity, receives money or property of a third Person in a fiduciary capacity, and the money or property is misapplied by 1 or more of the partners while it is in the custody of the partnership.
- (2) The General Partnership is liable to make good the loss.

33. Admissions and representations of partners of General Partnership

An admission or representation made by any partner of a General Partnership about the affairs of the partnership, and in the ordinary course of its business, purpose or activity, is evidence against the partnership.

34. Notice to partner of General Partnership

Written notice to a partner of a General Partnership operates as a notice to the partnership, except in the case of a fraud on the partnership committed by or with the consent of that partner.

35. General Partnership: liabilities of incoming and outgoing partners

- (1) A Person who is admitted as a partner to an existing General Partnership does not become liable to the creditors of the partnership for anything done before the Person became a partner.



- (2) An outgoing partner of a General Partnership is not liable for the partnership debts or obligations incurred after the partner ceases to be a partner.
- (3) An outgoing partner or the estate of a deceased partner may be discharged by agreement from any liabilities existing at the date when the partner ceased to be a partner.

CHAPTER 3—CONSENTS

36. Variation by consent of terms of General Partnership

The mutual rights and duties of partners of a General Partnership, whether ascertained by Written agreement or defined by these Regulations, may be varied with the Written consent of all of the partners.



PART 6: PROPERTY

37. General Partnership Property

Unless otherwise agreed by all the partners of a General Partnership:

- (a) all General Partnership Property must be held and applied by the partners exclusively for the purposes of the partnership and in accordance with the partnership agreement; and
- (b) all General Partnership Property must be held jointly and severally.

38. Judgement debt procedure against partner of General Partnership

- (1) If a proceeding is instituted against a partner of a General Partnership in relation to General Partnership Property, the Court may, on the application of a creditor of the partner, make the orders that it considers appropriate in the circumstances to release the partner's interest in the partnership for satisfaction of the judgement debt.
- (2) A partner of a General Partnership aggrieved by an application or orders made under subsection (1) may apply to the Court to make orders to preserve rights in relation to General Partnership Property and to make the other orders the Court considers appropriate.

39. General Partnership rules in relation to interest

Unless otherwise agreed by all the partners of a General Partnership, the interest of partners in General Partnership Property, and their rights and duties in relation to the partnership, are to be decided by the following provisions:

- (a) all the partners are entitled to share equally in the capital and profits of the business, purpose or activity, and must contribute equally towards the losses, whether of capital or otherwise, sustained by the partnership;
- (b) the partnership must indemnify every partner in relation to payments made from the partner's own money or property and personal liabilities incurred by the partner:
 - (i) in the ordinary and proper conduct of the business, purpose or activity of the partnership; or
 - (ii) in or about anything necessarily done for the preservation of the business, purpose or activity or the property of the partnership;
- (c) if a partner makes, for the purpose of the partnership, any actual payment or advance beyond the amount of capital that the partner has agreed to subscribe, the partner is entitled to interest at the National Bank of the Republic of Kazakhstan 90 day deposit rate.



PART 7: DISSOLUTION AND CONTINUANCE

CHAPTER 1–DISSOLUTION

40. General Partnership: dissolution by notice

- (1) Subject to any agreement between the partners, if a General Partnership was entered into for an undefined time and for no fixed venture or undertaking, the partnership may be dissolved by any partner giving Written notice to the others of the partner's intention to dissolve the partnership.
- (2) The General Partnership is dissolved on the date mentioned in the notice as the date of dissolution, or, if a date of dissolution is not mentioned, on the day, or the last of the days, the notice is given to the other partners.

41. General Partnership: dissolution by death or bankruptcy

- (1) Subject to any agreement between the partners, a General Partnership is dissolved by the death or bankruptcy of any partner.
- (2) The remaining partners must notify the Registrar of Companies of the death or bankruptcy.

42. General Partnership: dissolution by illegality

A General Partnership is dissolved by the happening of any event that makes it unlawful for the business, purpose or activity of the partnership to continue.

43. General Partnership: dissolution with consent of Registrar of Companies

- (1) If a partner or 2 or more partners of a General Partnership wish to dissolve the partnership by agreement or other voluntary means, other than by an application to the Court under section 44 (General Partnership: dissolution by Court), the partner or partners may request the Registrar of Companies to consent to the dissolution of the partnership.
- (2) The Registrar of Companies may give consent to the dissolution of the General Partnership if satisfied that there are no outstanding liabilities to creditors, and there will be no guarantees or other legal obligations on the partnership after its dissolution.
- (3) The Registrar of Companies may, in the Registrar's absolute discretion, refuse to consent to the dissolution of the General Partnership.

44. General Partnership: dissolution by Court

The Court may order the dissolution of a General Partnership, on the application of the Registrar of Companies or a partner, if:

- (a) a partner, other than the partner instituting the proceeding, is under a disability or is otherwise incapable of performing the partner's part of the partnership agreement; or
- (b) a partner, other than the partner instituting the proceeding, has Contravened the law and, in the opinion of the Court, that partner will prejudicially affect the conduct of business in or from the AIFC; or
- (c) a partner, other than the partner instituting the proceeding:



- (i) has wilfully or persistently Contravened the partnership agreement or any AIFC Regulations or AIFC Rules; or
- (ii) has otherwise behaved in matters relating to the partnership business, purpose or activity in a way that it is not reasonable for the other partner or partners to conduct the business, purpose or activity in partnership with that partner; or
- (d) the business, purpose or activity of the General Partnership is being conducted at a loss; or
- (e) circumstances have arisen that, in the opinion of the Court, make it just and equitable that the partnership be dissolved; or
- (f) it is in the interests of the AIFC to make an order dissolving the partnership.

CHAPTER 2—CONTINUANCE IN CERTAIN CIRCUMSTANCES

45. General Partnership: removal of partner

- (1) On the application of a General Partnership or a partner of a General Partnership, the Court may order the removal of a partner in the circumstances that it considers appropriate.
- (2) An order of the Court under subsection (1) does not dissolve the General Partnership.

46. General Partnership: outgoing partners

- (1) The retirement, death, incapacity or removal of a partner of a General Partnership dissolves the partnership, unless the partnership agreement provides for the continuance of the partnership or the remaining partners elect to continue the partnership.
- (2) If the General Partnership continues as provided for in subsection (1), the partners must provide the Registrar of Companies with a copy of an indemnity for the liabilities of the outgoing or deceased partner. If the partners do not provide the copy of the indemnity, the Registrar of Companies may refuse to allow the continuance of the General Partnership.

47. General Partnership: presumption of continuance of old terms

- (1) If a General Partnership entered into for a defined time or a fixed venture or undertaking is continued after the time has ended or the venture or undertaking completed, and without any express new agreement, the rights and duties of the partners remain the same as they were at the end of that time or the completion of the venture or undertaking, so far as they are consistent with the terms of the partnership agreement.
- (2) A continuance of the business, purpose or activity of the General Partnership by the partners, or such of them as regularly acted for the partnership, without any settlement or winding up of the partnership's affairs, is presumed to be a continuance of the partnership.

48. Rights of assignee of share in General Partnership

- (1) This section applies if:
 - (a) a partner in a General Partnership assigns the partner's share in the partnership, either absolutely or by way of mortgage or redeemable charge; and



- (b) the partner remains a partner after the assignment; and
 - (c) the assignee's interest in the partnership is only as assignee of the share.
- (2) The assignment does not, as against the other partners, entitle the assignee, during the continuance of the partnership:
- (a) to interfere in the management or administration of the partnership's business, purpose or activity; or
 - (b) to require any accounts of the partnership's transactions; or
 - (c) to inspect the partnership's Records or books.
- (3) The assignee is entitled to receive the share of profits to which the assigning partner would otherwise be entitled, and the assignee must accept the accounts of profits agreed to by the General Partnership.
- (4) The assignee is liable for the debts to which the assigning partner would otherwise be liable, and the assignee must accept the amount of the debt agreed to by the General Partnership.
- (5) If the General Partnership is dissolved, whether in relation to all the partners or the assigning partner only, the assignee is entitled to receive the share of the partnership assets to which the assigning partner would otherwise be entitled.

CHAPTER 3—RIGHTS OF THIRD PARTIES

49. Rights of Persons dealing with General Partnership

- (1) If a Person continues to deal with a General Partnership after a change in its constitution or dissolution, the Person is entitled to treat all apparent members of the old General Partnership as still being members of the General Partnership until the Person has notice of the change or dissolution.
- (2) Notice published in accordance with the Rules is sufficient notice of the change or dissolution.

CHAPTER 4—RIGHTS OF PARTNERS

50. Continuing authority of partners of General Partnership for winding up etc.

After the dissolution of a General Partnership, the authority of each partner to bind the partnership, and the other rights and obligations of the partners, continue despite the dissolution so far as necessary to wind up the affairs of the partnership, and to complete transactions begun but unfinished at the time of the dissolution, but not otherwise.

51. Rights of partners to application of General Partnership Property etc.

Unless otherwise agreed by all the partners of a General Partnership:

- (a) on the dissolution of the partnership, every partner is entitled to have:



- (i) the General Partnership Property applied in payment of the debts and liabilities of the partnership; and
 - (ii) surplus assets, after payment of the debts and liabilities, applied in payment of what may be owing to the partners respectively after deducting what may be owing from them as partners to the partnership; and
- (b) any partner or the partner's representatives may, on the dissolution of partnership, apply to the Court to wind up the partnership.

52. General Partnership: apportionment of premium on premature dissolution

If a partner pays a premium to another partner on entering into a General Partnership for a defined time, and the partnership is dissolved before the end of that time, the Court may, having regard to the terms of the partnership agreement and to the length of time of the partnership, make orders in relation to the premium or the part of it that it considers appropriate.

53. Rights if General Partnership is dissolved for fraud or misrepresentation

If the partnership agreement of a General Partnership is rescinded because of the fraud or misrepresentation of a party (the *guilty party*), the party rescinding the agreement (the *rescinding party*) is, without prejudice to any other right, entitled to:

- (a) a lien on, or right of retention of, the surplus of the General Partnership Property, after satisfying the partnership liabilities, for any amounts paid by the rescinding party for the purchase of a share in the partnership and for any capital contributed; and
- (b) stand in the place of the creditors of the partnership for any payments made by the rescinding party in relation to the partnership liabilities; and
- (c) be indemnified by the guilty party against any loss suffered by the rescinding party because of the wrong doing to the partnership.

CHAPTER 5—SHARING OF PROFITS ON DISSOLUTION

54. General Partnership: right of outgoing partner to share profits

If a partner of a General Partnership has died or otherwise ceased to be a partner, and the surviving or continuing partners conduct the business, purpose or activity of the partnership with its capital or assets without any final settlement of accounts between the partnership and the outgoing partner (or that partner's estate), then, in the absence of any agreement to the contrary, the outgoing partner (or that partner's estate) is entitled to the share of the profits made since the dissolution of the partnership that the Court considers just in the circumstances.

55. General Partnership: outgoing partner's share to be debt

Unless otherwise agreed by all the partners of a General Partnership, the amount owing from surviving or continuing partners to an outgoing partner (or the partner's estate) in relation to the outgoing partner's share is a debt accruing on the day of the partnership's dissolution.

56. General Partnership: distribution of assets on dissolution

Unless otherwise agreed by all the partners of a General Partnership, the following provisions



apply when settling accounts between the partners after the dissolution of the partnership:

- (a) losses, including losses and deficiencies of capital, must be paid first out of profits, next out of capital, and lastly, if necessary, by the partners individually in the proportion in which they were entitled to share profits;
- (b) the assets of the partnership, including the amounts (if any) contributed by the partners to make up losses or deficiencies of capital, must be applied in the following way and order:
 - (i) in paying the debts and liabilities of the partnership to Persons who are not partners;
 - (ii) in paying to each partner rateably what is owing from the partnership to the partner for advances as distinguished from capital;
 - (iii) in paying to each partner rateably what is owing from the partnership to the partner in relation to capital;
 - (iv) the ultimate residue (if any) must be divided among the partners in the proportion in which profits are divisible.

57. Insolvency of General Partnership: postponement of certain rights

If an amount has been advanced to a General Partnership by way of an unsecured loan or for the purchase of goodwill in consideration for a share of profits of the partnership, and the partnership becomes insolvent, the lender or buyer is not entitled to recover any amount until the claims of all other creditors have been satisfied.



PART 7-1: ULTIMATE BENEFICIAL OWNERS

57-1. Ultimate Beneficial Owners

The provisions of Part 14-1 (Ultimate Beneficial Owners) of the AIFC Companies Regulations apply to General Partnerships as set out therein.



PART 7-2: WHISTLEBLOWING

57-2. Whistleblowing

The provisions of Part 14-2 (Whistleblowing) of the AIFC Companies Regulations apply to General Partnerships as set out therein.



PART 8: MISCELLANEOUS

58. Compliance with orders etc. of Registrar of Companies to partnerships

- (1) If the Registrar of Companies makes an order, issues a direction, or makes a requirement, (however described) in relation to a General Partnership or Recognised Partnership under these Regulations, the Rules or any other Legislation Administered by the Registrar of Companies, each partner must ensure that the partnership complies with it.
- (2) Contravention of this section is punishable by a fine.

59. Public registers of partnerships

- (1) The Registrar of Companies must keep and publish a register of current and past registrations of General Partnerships in accordance with any requirements prescribed by the Rules.
- (2) The Registrar of Companies must keep and publish a register of current and past registrations of Recognised Partnerships in accordance with any requirements prescribed by the Rules.
- (3) The Registrar of Companies must make a reasonably current version of each register kept under this section freely available for viewing by the public during the normal business hours of the Registrar of Companies.

60. Accounting Records of Recognised Partnership

- (1) A Recognised Partnership must keep Accounting Records that are sufficient to show and explain its transactions so as to:
 - (a) disclose with reasonable accuracy the financial position of the Recognised Partnership at any time; and
 - (b) enable the partners to ensure that any accounts prepared by the Recognised Partnership comply with the requirements of these Regulations.
- (2) A Recognised Partnership must ensure that its Accounting Records are:
 - (a) kept at the place that the partners consider appropriate except so far as the Rules otherwise require; and
 - (b) preserved by the Recognised Partnership for at least 6 years after the day they are created or, if the Rules prescribe another period, that period; and
 - (c) open to inspection by a partner or auditor of the Recognised Partnership at all reasonable times; and
 - (d) otherwise kept and maintained in such manner as required by the Rules.
- (2-1) If a Recognised Partnership, for whatever reason, ceases to exist or ceases to be a Recognised Partnership within the meaning of these Regulations, the partners immediately before the Recognised Partnership ceases to exist or ceases to be a Recognised Partnership shall ensure that its Accounting Records are preserved for at least 6 years after the date of such cessation.



- (3) Contravention of this section is punishable by a fine.



SCHEDULE 1: INTERPRETATION

Note: See section 6.

1. Definitions for these Regulations

In these Regulations:

Accounting Records means Records and underlying documents comprising initial and other accounting entries and associated supporting documents, including, for example, any of the following:

- (a) cheques;
- (b) Records of electronic funds transfers;
- (c) invoices;
- (d) contracts;
- (e) the general and subsidiary ledgers, journal entries and other adjustments to the financial statements that are not reflected in journal entries;
- (f) worksheets and spreadsheets supporting costs allocations, computations, reconciliations and disclosures.

AFSA means the Astana Financial Services Authority.

AIFC means the Astana International Financial Centre.

AIFCA means the Astana International Financial Centre Authority.

AIFC Regulations means regulations adopted by the Management Council or the Governor, and includes, for example, these Regulations.

AIFC Rules means rules adopted by the Board of Directors of the AFSA, the Board of Directors of the AIFCA or the Governor, and includes, for example, the Rules made for these Regulations.

Constitutional Statute means Constitutional Statute of the Republic of Kazakhstan dated 7 December 2015 entitled *On the Astana International Financial Centre*.

Contravene includes Fail to comply with.

Court means the Astana International Financial Centre Court.

Document includes any summons, notice, statement, return, account, order and other legal process, and any register.

Exercise a Function includes perform the Function.

Fail includes refuse.

Function includes authority, duty and power.



General Partnership means a general partnership formed in the AIFC that is registered under these Regulations as a General Partnership.

General Partnership Property, in relation to a General Partnership, means all property (whether real, personal, tangible and intangible), and all interests in any property, acquired by the General Partnership, whether by purchase or otherwise.

Governor means the Governor of the Astana International Financial Centre.

Legislation Administered by the Registrar of Companies has the meaning given by section 1 of Schedule 1 of the AIFC Companies Regulations.

Management Council means the Management Council of the Astana International Financial Centre.

Management Council Resolution on AIFC Bodies means *The Structure of the Bodies of the Astana International Financial Centre*, adopted by resolution of the Management Council on 26 May 2016, as amended by resolution of the Management Council, *The Amendments and supplementations to the Structure of the Bodies of the Astana International Financial Centre*, adopted on 9 October 2017.

Partner, of a General Partnership, means every Person who has entered into the partnership agreement for the General Partnership and is registered as partner of the General Partnership under these Regulations.

Person means any natural person or incorporated or unincorporated body, including a company, partnership, unincorporated association, government or state.

Registered Details, of a General Partnership, Recognised Partnership or the Person authorised to accept service on behalf of a Recognised Partnership, means information about the partnership or Person included in the relevant register kept by the Registrar of Companies under these Regulations.

Recognised Partnership means a general partnership formed outside of the AIFC that is registered under these Regulations as a Recognised Partnership.

Records means documents, information and other records, in whatever form and however stored.

Registrar means the Registrar of Companies.

Registrar of Companies means the Registrar of Companies under the AIFC Companies Regulations.

Rules means rules adopted by the Board of Directors of the AFSA under section 181 of the AIFC Companies Regulations.

Writing includes:

- (a) in relation to a certificate, instrument, notice or other thing—the thing in any form that preserves a record of the information contained in it and is capable of being reproduced in tangible form, including by electronic means; and
- (b) in relation to a communication—any method of communication that preserves a record of the information contained in it and is capable of being reproduced in tangible form,



including by electronic means.