



**AFSA**

Astana  
Financial  
Services  
Authority

# Consultation Paper

AFSA-L-CE-2021-0001

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## Proposed Enhancement of the AIFC Legal Entities Framework

Unrestricted

June 15, 2021

## Introduction

1. The Astana Financial Services Authority (AFSA) has issued this Consultation Paper to seek suggestions from the market on ways to enhance the AIFC Legal Entities framework.
2. The proposals in this Consultation Paper will be of interest to current and potential AIFC participants who are interested in exercising business activities in or from the AIFC.
3. All comments should be in writing and sent to the address or email specified below. If sending your comments by email, please use “Consultation Paper AFSA-L-CE-2021-0001” in the subject line. You may, if relevant, identify the organisation you represent when providing your comments. The AFSA reserves the right to publish, including on its website, any comments you provide, unless you expressly request otherwise. Comments supported by reasoning and evidence will be given more weight by the AFSA.
4. The deadline for providing comments on the proposals is **July 15, 2021**. Once we receive your comments, we shall consider if any refinements are required to this proposal.
5. Comments to be addressed by post: Policy and Strategy Division  
Astana Financial Services Authority (AFSA)  
55/17 Mangilik EI, building C3.2, Kazakhstan  
or emailed to: [consultation@afsa.kz](mailto:consultation@afsa.kz)  
Tel: +8 7172 613741
6. The remainder of this Consultation Paper contains the following:
  - (a) Background to the proposal;
  - (b) The list of the key elements of the proposed amendments;
  - (c) Annex 1 Proposed Amendments to the AIFC Regulations;
  - (d) Annex 2 Proposed Amendments to the AIFC Rules;
  - (e) Annex 3 Proposed Amendments to the AIFC Foundations Regulations: Schedule 4 Standard Foundation Charter and Schedule 5 Standard Foundation By-Laws;
  - (f) Annex 4 Schedule 3: Standard Partnership Agreement for General Partnerships;
  - (g) Annex 5 Schedule 3: Standard Partnership Agreement for Limited Partnerships;
  - (h) Annex 6 Schedule 3: Standard Partnership Agreement for Limited Liability Partnerships.

## Background

1. The Astana Financial Services Authority ("AFSA") proposes to make amendments to the AIFC Legal Entities Legislation which aim at updating and modernising the legal framework to meet the current needs of business and provide the flexibility needed for companies to operate in an evolving business environment.
2. The amendments introduce a number of changes to simplify and improve the AIFC Legal Entities Framework and to bring it in line with the international best practice and global trends towards increased transparency and accountability. Best practices of the United Kingdom, Singapore, ADGM, DIFC, QFC, Hong Kong, Australia and New Zealand were considered in preparing this proposal.
3. Among the proposed amendments there are obligations imposed on Foundations and Non-profit Incorporated Organisations (NPIOs) in the field of Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT).

The proposed amendments are part of the amendments package to be introduced into the AIFC Acts to comply with the requirements of FATF Recommendations due to the forthcoming mutual evaluation of technical compliance of the legislation of the Republic of Kazakhstan by the Eurasian Group on Combating Money Laundering and Financing of Terrorism ("EAG") in 2022. As part of this mutual evaluation, the EAG assessors will focus on whether the AIFC jurisdiction has implemented the FATF Recommendations and how successful it is in maintaining a strong AML/CFT system.

In compliance with the requirements of FATF Recommendation 8 (Non-profit organisations), countries should review the adequacy of laws and regulations that relate to non-profit organisations which the country has identified as being vulnerable to terrorist financing abuse. Countries should apply focused and proportionate measures, in line with the risk-based approach, to such non-profit organisations to protect them from terrorist financing abuse.

4. The proposed amendments are intended to apply generally to the AIFC Participants. It is accordingly proposed to amend each of the following AIFC Acts to give effect to the General Legal Framework:

### **Regulations**

- (1) AIFC Companies Regulations;
- (2) AIFC Foundations Regulations;
- (3) AIFC General Partnership Regulations;
- (4) AIFC Limited Partnership Regulations;
- (5) AIFC Limited Liability Partnership Regulations; and
- (6) AIFC Non-profit Incorporated Organisations Regulations.

### **Rules**

- (1) AIFC Companies Rules;

- (2) AIFC General Partnership Rules;
- (3) AIFC Limited Partnership Rules;
- (4) AIFC Limited Liability Partnership Rules; and
- (5) AIFC Fees Rules.

## Key Elements of the proposed amendments

### 1. **Issue and Allotment**

Amending the AIFC Companies Regulations by revising sections 43, 60 and 98 appropriately to avoid confusion in the use of “issue” and “allotment”. The amendments are based on understanding that “allotment” refers to the basic creation of new shares whereas “issue” refers to the subsequent act of registering the relevant shareholder as the legal owner of those shares.

### 2. **Powers of the directors to issue shares**

Extension of the powers of the board of Directors by allowing it to issue new shares in addition to the powers to allot. Given that the amended power of the board of Directors is subject to approval under the Articles of Association and the law provides for the pre-emption rights rule, the shareholders stay protected from involuntary dilution of their ownership stake.

### 3. **Standard Constitutional Documents**

Development of a standard foundation charter and by-laws, a standard general partnership agreement, a standard limited partnership agreement and a standard limited liability partnership agreement for developing a more friendly and easier incorporation environment for potential AIFC Participants.

### 4. **Audit requirements**

Establishment of the following audit thresholds for Private Companies, LLPs and NPIOs:

- Private Companies and LLPs whose annual turnover is not more than 5,000,000 USD are subject to audit exemption. The current Shareholders requirement for Private Companies is excluded.
- NPIOs with gross annual income not more than 500,000 USD are subject to audit exemption.

### 5. **AML/CFT obligations and supervision**

Introduction of AML/CFT obligations for Foundations and NPIOs, i.e.:

- Obligations in respect of payments and transactions;
- Notification obligations;
- Reporting and record keeping.

These amendments are part of the amendments package to be introduced into the AIFC Acts to comply with the requirements of FATF Recommendations due to the forthcoming mutual evaluation of technical compliance of the legislation of the Republic of Kazakhstan by the Eurasian Group on Combating Money Laundering and Financing of Terrorism (“EAG”) in 2022.

### 6. **Director Status**

Amending the Employee definition in the AIFC Companies Regulations by providing an opportunity to a Company to decide itself if it wants to hire a Director on the basis of a contract of employment or have a Director perform his/her duties without getting into an employment relationship

### 7. **Registration Fees**

There are two proposals in relation to the registration fees:

Proposal 1 - to distinguish online and paper-based registration forms and introduce different fees, i.e. 300 USD for online registration and 500 USD for paper-based registration. Thus, by increasing the fee for paper-based registration, we would like to encourage our applicants to file their documents online. However, at the same time we consider 500 USD is a reasonable fee acceptable for business environment. Different fees for online and paper-based registration will be applicable starting from January 1, 2022; and

Proposal 2 - to exclude paper-based registration and keep only online registration.

However, there are several issues that need to be considered if option 2 is to be approved:

- online registration may be a challenge for companies with the complicated beneficiary structure;
- Restricted Scope Companies will face difficulties when submitting documents online due to the peculiarities of this type of companies (submission to and maintenance of the confidential/sensitive information by the Registrar of Companies);
- technical issues.

## **8. Miscellaneous/technical enhancements**

**Annex 1  
to the Consultation Paper  
on the Proposed Enhancement of the AIFC Legal Entities Framework**

**Proposed amendments to the AIFC Regulations**

In this comparative table, the underlining indicates a new text and the striking through indicates the deleted text in the proposed amendments.

No.	Part/Chapter/ Section No.	Current version	Proposed version	Comments
<b>AIFC COMPANIES REGULATIONS</b>				
1.	PART 1: GENERAL  CHAPTER 2 CERTIFICATES  Section 8	<p><b>8. Certificates</b></p> <p>(1) The Registrar may issue a certificate subject to any conditions or restrictions.</p> <p>(2) The AIFC Participant must not Contravene a condition or restriction to which the certificate is subject.</p> <p>(3) The Registrar may suspend the activity of the AIFC Participant or vary the terms of the activity of the AIFC Participant on the Registrar’s own initiative or on the application of the AIFC Participant.</p> <p>(4) The Registrar may exercise a power under subsection (3) in relation to an activity of the AIFC Participant on the Registrar’s own initiative only if the Registrar:</p>	<p><b>8. Certificates</b></p> <p>(1) The Registrar may issue a certificate subject to any conditions or restrictions.</p> <p>(2) The AIFC Participant must not Contravene a condition or restriction to which the certificate is subject.</p> <p>(3) The Registrar may suspend the activity of the AIFC Participant <del>or vary the terms of the activity of the AIFC Participant</del> on the Registrar’s own initiative or on the application of the AIFC Participant.</p> <p>(4) The Registrar may exercise a power under subsection (3) in relation to an activity of the AIFC Participant on the Registrar’s own initiative only if the Registrar:</p>	Item 8 (technical enhancement) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper

		<p>(a) complies with the Decision-making Procedures; and</p> <p>(b) either:</p> <p>(i) is satisfied that the AIFC Participant, or an officer, employee or agent of the AIFC Participant, has Contravened, is Contravening or is likely to Contravene these Regulations; or</p> <p>(ii) considers that the exercise of the power is necessary or desirable in the interests of the AIFC.</p> <p>(5) <i>[intentionally omitted]</i></p> <p>(6) <i>[intentionally omitted]</i></p> <p>(7) Contravention of subsection (2) is punishable by a fine.</p>	<p>(a) complies with the Decision-making Procedures; and</p> <p>(b) either:</p> <p>(i) is satisfied that the AIFC Participant, or an officer, employee or agent of the AIFC Participant, has Contravened, is Contravening or is likely to Contravene these Regulations; or</p> <p>(ii) considers that the exercise of the power is necessary or desirable in the interests of the AIFC.</p> <p>(5) <i>[intentionally omitted]</i></p> <p>(6) <i>[intentionally omitted]</i></p> <p>(7) Contravention of subsection (2) is punishable by a fine.</p>	
2.	<p>PART 4: COMPANY FORMATION AND INCORPORATION</p> <p>Section 26</p>	<p><b>26. Annual returns</b></p> <p>...</p> <p>(1-1) A Company which is subject to subsection (1) must, within 6 months of the end of each financial year, or other date the Registrar considers appropriate, file with the Registrar an annual return containing:</p> <p>(a) its financial statements for the last financial year for which the Company's accounts have been prepared; and</p> <p>(b) a statement, for each class of Shares in the Company, setting out either:</p> <p>(i) the name and address of each Shareholder who, on the filing date, held not less than 5% of the Allotted Shares of that class and the number of Shares of that class held by the Shareholder,</p>	<p><b>26. Annual returns</b></p> <p>...</p> <p>(1-1) A Company which is subject to subsection (1) must, within 6 months of the end of each financial year, or other date the Registrar considers appropriate, file with the Registrar an annual return containing:</p> <p>(a) its financial statements for the last financial year for which the Company's accounts have been prepared; and</p> <p>(b) a statement, for each class of Shares in the Company, setting out either:</p> <p>(i) the name and address of each Shareholder who, on the filing date, held not less than 5% of the <u>A</u>llotted Shares of that class and the number of Shares of that class held by the Shareholder,</p>	<p>Item 8 (technical enhancement) of the amendments set out in "Key Elements of the proposed amendments" of the Consultation Paper</p>



		together with the number of Shareholders each of whom, on that date, held less than 5% of the Allotted Shares of that class and the total number of Shares held by them; or ...	together with the number of Shareholders each of whom, on that date, held less than 5% of the <del>A</del> llotted Shares of that class and the total number of Shares held by them; or ...	
3.	PART 7: PRIVATE COMPANIES AND PUBLIC COMPANIES  CHAPTER 2 ALTERATION OF COMPANY TYPE  Section 40	<b>40. Re-registration of Private Company as Public Company</b> ... (3) If Shares are Allotted by the Company in the period between the balance sheet date and the passing of the Special Resolution that the Company be re-registered as a Public Company, and the Shares are Paid-up otherwise than in cash, the Company must (unless the Allotment is in connection with a Share exchange) comply with the requirements of section 46 (Non-cash consideration for Shares in Public Company) in respect of the Allotment.  (4) For this section, Shares are Allotted by a Company in connection with a Share exchange if: (a) the consideration for the Allotment is the transfer of Shares in another Body Corporate or the cancellation of Shares in another Body Corporate, and the Allotment is open to all holders (or all of a particular class of holders) of Shares in the other Body Corporate; or ...	<b>40. Re-registration of Private Company as Public Company</b> ... (3) If Shares are <del>A</del> llotted by the Company in the period between the balance sheet date and the passing of the Special Resolution that the Company be re-registered as a Public Company, and the Shares are Paid-up otherwise than in cash, the Company must (unless the Allotment is in connection with a Share exchange) comply with the requirements of section 46 (Non-cash consideration for Shares in Public Company) in respect of the Allotment.  (4) For this section, Shares are <del>A</del> llotted by a Company in connection with a Share exchange if: (a) the consideration for the Allotment is the transfer of Shares in another Body Corporate or the cancellation of Shares in another Body Corporate, and the Allotment is open to all holders (or all of a particular class of holders) of Shares in the other Body Corporate; or ...	Item 8 (technical enhancement) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper
4.	PART 7: PRIVATE COMPANIES AND PUBLIC COMPANIES	<b>43. Minimum share capital</b> (1) Each Share in a Company must have a fixed nominal value. A Share may not be Allotted by a Company at less than its nominal value. An	<b>43. Minimum share capital</b> (1) Each Share in a Company must have a fixed nominal value. A Share may not be <del>A</del> llotted by a Company at less than its nominal value. An	Items 1 (issue and allotment) and 8 (technical enhancements) of the amendments set out in “Key Elements of the proposed

	<p>CHAPTER 3– SHAREHOLDERS AND SHARES GENERALLY</p> <p>Section 43</p>	<p>Allotment of a Share that does not have a fixed nominal value, or is Allotted at less than its nominal value, is void.</p> <p>...</p> <p>(2) A Private Company must have no minimum share capital.</p> <p>(3) A Public Company: (a) must have an issued and allotted share capital (excluding treasury Shares) of no less than U.S. \$100,000 at any time; and (b) must not Allot a Share except as Paid-up at least as to 1/4 of its nominal value.</p> <p>(4) Subsection (3)(b) does not apply to Shares Allotted under an Employee Share Scheme.</p>	<p>Allotment of a Share that does not have a fixed nominal value, or is <u>A</u>llotted at less than its nominal value, is void.</p> <p>...</p> <p>(2) A Private Company must have no minimum share capital.</p> <p>(3) A Public Company: (a) must have an <del>issued and</del> allotted share capital (excluding treasury Shares) of no less than U.S. \$100,000 at any time; and (b) must not <u>A</u>llot a Share except as Paid-up at least as to 1/4 of its nominal value.</p> <p>(4) Subsection (3)(b) does not apply to Shares <u>A</u>llotted under an Employee Share Scheme.</p>	<p>amendments” of the Consultation Paper</p>
5.	<p>PART 7: PRIVATE COMPANIES AND PUBLIC COMPANIES</p> <p>CHAPTER 3– SHAREHOLDERS AND SHARES GENERALLY</p> <p>Section 44</p>	<p><b>44. Alteration of share capital</b></p> <p>(1) A Company may, by Resolution, alter its share capital, unless the alteration is prohibited by its Articles of Association or results in the Company not having the share capital required by section 43 (Minimum share capital).</p> <p>(2) A Company may: (a) increase its share capital by creating new Shares of an existing class with the same nominal value, or a new class of Shares of the nominal value it considers appropriate; or (b) consolidate and divide its share capital (whether Allotted or not) into Shares representing a larger nominal value than their existing nominal value; or (c) subdivide its Shares, or any of them, into Shares representing a smaller nominal value</p>	<p><b>44. Alteration of share capital</b></p> <p>(1) A Company may, by Resolution, alter its share capital, unless the alteration is prohibited by its Articles of Association or results in the Company not having the share capital required by section 43 (Minimum share capital).</p> <p>(2) A Company may: (a) increase its share capital by creating new Shares of an existing class with the same nominal value, or a new class of Shares of the nominal value it considers appropriate; or (b) consolidate and divide its share capital (whether <u>A</u>llotted or not) into Shares representing a larger nominal value than their existing nominal value; or (c) subdivide its Shares, or any of them, into Shares representing a smaller nominal value</p>	<p>Items 2 (extension of the powers of the board of Directors) and 8 (technical enhancement) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper</p>

		<p>than their existing nominal value, if the proportion between the amount paid and the amount unpaid (if any) on each subdivided Share is the same as it was for the Share from which the sub-divided Share was derived.</p> <p>(3) A Company must not alter its share capital:  (a) otherwise than by Resolution; or  (b) if the alteration, or any alteration of its share capital, is prohibited by its Articles of Association; or  (c) if the alteration would result in the Company not having the share capital required by section 43.</p> <p>(4) Contravention of subsection (3) is punishable by a fine.</p> <p>(5) Subject to section 48 (Shareholders' pre-emption rights), the board of Directors of a Company may, if authorised by the Articles of Association or Ordinary Resolution, exercise a power of the Company:  (a) to Allot Shares; or  (b) to grant rights to subscribe for or convert any Securities into Shares.</p>	<p>than their existing nominal value, if the proportion between the amount paid and the amount unpaid (if any) on each subdivided Share is the same as it was for the Share from which the sub-divided Share was derived.</p> <p>(3) A Company must not alter its share capital:  (a) otherwise than by Resolution <u>or decision of the board of Directors subject to subsection (5) below</u>; or  (b) if the alteration, or any alteration of its share capital, is prohibited by its Articles of Association; or  (c) if the alteration would result in the Company not having the share capital required by section 43 (<u>Minimum share capital</u>).</p> <p>(4) Contravention of subsection (3) is punishable by a fine.</p> <p>(5) Subject to section 48 (Shareholders' pre-emption rights), the board of Directors of a Company may, if authorised by the Articles of Association or Ordinary Resolution, exercise a power of the Company:  (a) to <u>A</u>llot and issue Shares; or  (b) to grant rights to subscribe for or convert any Securities into Shares.</p>	
6.	PART 7: PRIVATE COMPANIES AND PUBLIC COMPANIES  CHAPTER 3—SHAREHOLDERS	<p><b>45. Non-cash consideration for Shares in Private Company</b></p> <p>(1) A Private Company must not, except as provided under subsection (2), Allot Shares as Paid-up (in part or in full) other than for cash consideration.</p>	<p><b>45. Non-cash consideration for Shares in Private Company</b></p> <p>(1) A Private Company must not, except as provided under subsection (2), <u>A</u>llot Shares as Paid-up (in part or in full) other than for cash consideration.</p>	Item 8 (technical enhancements) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper

	AND SHARES GENERALLY Section 45	(2) If a Private Company Allots Shares for consideration other than cash, the board of Directors of the Company must: ...	(2) If a Private Company <b>A</b> llots Shares for consideration other than cash, the board of Directors of the Company must: ...	
7.	PART 7: PRIVATE COMPANIES AND PUBLIC COMPANIES  CHAPTER 3– SHAREHOLDERS AND SHARES GENERALLY  Section 46	<b>46. Non-cash consideration for Shares in Public Company</b>  (1) A Public Company must not Allot Shares as Paid-up (in part or in full) cash unless: (a) the Company has obtained an independent valuation of the consideration in accordance with this section not earlier than 6 months before it Allocates the Shares; and (b) a copy of the valuation report has been given to the proposed allottee; and (c) copies of the valuation report and the relevant resolutions of the board of Directors have been given to the Registrar along with the notice of the Allotment. ...	<b>46. Non-cash consideration for Shares in Public Company</b>  (1) A Public Company must not <b>A</b> llot Shares as Paid-up (in part or in full) cash unless: (a) the Company has obtained an independent valuation of the consideration in accordance with this section not earlier than 6 months before it <b>Allocates allots</b> the Shares; and (b) a copy of the valuation report has been given to the proposed allottee; and (c) copies of the valuation report and the relevant resolutions of the board of Directors have been given to the Registrar along with the notice of the Allotment. ...	Item 8 (technical enhancements) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper
8.	PART 7: PRIVATE COMPANIES AND PUBLIC COMPANIES  CHAPTER 3– SHAREHOLDERS AND SHARES GENERALLY  Section 48	<b>48. Shareholders’ pre-emption rights</b> ... (4) A Company’s Articles of Association may prohibit the Company from Allotting Shares of a particular class in respect of an offer referred to in subsection (1)(a), unless the Company has complied with the equivalent pre-emption rights included in its Articles of Association. Subsection (1) does not apply in such circumstances and the Company may Allot the Shares in accordance with those equivalent pre-emption rights, if an offer is made in accordance with subsection (5). ...	<b>48. Shareholders’ pre-emption rights</b> ... (4) A Company’s Articles of Association may prohibit the Company from <b>A</b> llotting Shares of a particular class in respect of an offer referred to in subsection (1)(a), unless the Company has complied with the equivalent pre-emption rights included in its Articles of Association. Subsection (1) does not apply in such circumstances and the Company may <b>A</b> llot the Shares in accordance with those equivalent pre-emption rights, if an offer is made in accordance with subsection (5). ...	Item 8 (technical enhancements) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper

9.	<p>PART 7: PRIVATE COMPANIES AND PUBLIC COMPANIES</p> <p>CHAPTER 5—REGISTERS OF SHAREHOLDERS AND DEBT SECURITY HOLDERS AND SHARE CERTIFICATES</p> <p>Section 58</p>	<p><b>58. Share certificates</b></p> <p>(1) If a Company Allocates any of its Shares or receives a properly completed transfer for any of its Shares, the Company must, within 14 days after the day it Allocates the Shares or receives the transfer, complete and have ready for delivery a certificate for all the Shares Allocated or transferred, unless title to the Shares is evidenced without a written instrument in accordance the Rules.</p> <p>(2) If title to the Shares or the transfer of the Shares is evidenced without a written instrument, the Company must complete the registration of the Allotment or transfer of the Shares within 14 days after the day the Company Allocates the Shares or receives a properly completed transfer for the Shares.</p> <p>...</p>	<p><b>58. Share certificates</b></p> <p>(1) If a Company <u>Allocates allots</u> any of its Shares or receives a properly completed transfer for any of its Shares, the Company must, within 14 days after the day it <u>Allocates allots</u> the Shares or receives the transfer, complete and have ready for delivery a certificate for all the Shares <u>Allocated allotted</u> or transferred, unless title to the Shares is evidenced without a written instrument in accordance the Rules.</p> <p>(2) If title to the Shares or the transfer of the Shares is evidenced without a written instrument, the Company must complete the registration of the Allotment or transfer of the Shares within 14 days after the day the Company <u>Allocates allots</u> the Shares or receives a properly completed transfer for the Shares.</p> <p>...</p>	<p>Item 8 (technical enhancements) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper</p>
10.	<p>PART 7: PRIVATE COMPANIES AND PUBLIC COMPANIES</p> <p>CHAPTER 6—REDEMPTION AND PURCHASE OF SHARES</p> <p>Section 60</p>	<p><b>60. Power to issue redeemable Shares</b></p> <p>(1) Subject to section 61 (Power of Company to purchase its own Shares), a Company may, if authorised to do so by its Articles of Association, issue and Allot, or convert existing non-redeemable shares (whether Allotted or not) into, Shares that are to be redeemed, or are liable to be redeemed, either in accordance with their terms or at the option of the Company or the Shareholder.</p> <p>...</p>	<p><b>60. Power to issue redeemable Shares</b></p> <p>(1) Subject to section 61 (Power of Company to purchase its own Shares), a Company may, if authorised to do so by its Articles of Association, issue <del>and—Allot,</del> or convert existing non-redeemable shares <del>(whether Allotted or not)</del> into, Shares that are to be redeemed, or are liable to be redeemed, either in accordance with their terms or at the option of the Company or the Shareholder.</p> <p>...</p>	<p>Items 1 (issue and allotment) and 8 (technical enhancements) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper</p>
11.	<p>PART 7: PRIVATE COMPANIES AND</p>	<p><b>62. Treasury Shares</b></p> <p>...</p>	<p><b>62. Treasury Shares</b></p> <p>...</p>	<p>Item 8 (technical enhancements) of the</p>

	<p>PUBLIC COMPANIES</p> <p>CHAPTER 6– REDEMPTION AND PURCHASE OF SHARES</p> <p>Section 62</p>	<p>(7) Any Shares Allotted by a Company as fully paid bonus Shares in respect of Shares held as treasury Shares must be treated as if they were purchased by the Company at the time they were Allotted.</p> <p>...</p>	<p>(7) Any Shares <del>A</del>llotted by a Company as fully paid bonus Shares in respect of Shares held as treasury Shares must be treated as if they were purchased by the Company at the time they were <del>A</del>llotted.</p> <p>...</p>	<p>amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper</p>
12.	<p>PART 7: PRIVATE COMPANIES AND PUBLIC COMPANIES</p> <p>CHAPTER 10– MEETINGS</p> <p>Section 98</p>	<p><b>98. General provisions about meetings and votes</b></p> <p>The following provisions apply to any General Meeting of a Company or of the holders of any class of Shares in a Company unless the Articles of Association provide otherwise:</p> <p>...</p> <p>(c) at any meeting dealing with a variation of any class rights other than an adjourned meeting, the quorum is the number of Shareholders holding or representing by proxy at least 1/3 in nominal value of the issued and Allotted Shares of the class, and at an adjourned meeting, 1 Shareholder holding Shares of the class or the Shareholder’s proxy is a quorum;</p> <p>...</p>	<p><b>98. General provisions about meetings and votes</b></p> <p>The following provisions apply to any General Meeting of a Company or of the holders of any class of Shares in a Company unless the Articles of Association provide otherwise:</p> <p>...</p> <p>(c) at any meeting dealing with a variation of any class rights other than an adjourned meeting, the quorum is the number of Shareholders holding or representing by proxy at least 1/3 in nominal value of the issued <del>and Allotted</del> Shares of the class, and at an adjourned meeting, 1 Shareholder holding Shares of the class or the Shareholder’s proxy is a quorum;</p> <p>...</p>	<p>Item 1 (issue and allotment) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper</p>
13.	<p>PART 7: PRIVATE COMPANIES AND PUBLIC COMPANIES</p> <p>CHAPTER 11– PROTECTION OF</p>	<p><b>105. Takeover Offers</b></p> <p>...</p> <p>(2) In subsection (1):</p> <p>Shares means Shares that:</p> <p>(a) have been Allotted on the date of the offer; or</p>	<p><b>105. Takeover Offers</b></p> <p>...</p> <p>(2) In subsection (1):</p> <p>Shares means Shares that:</p> <p>(a) have been <del>A</del>llotted on the date of the offer; or</p>	<p>Item 8 (technical enhancements) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper</p>

	MINORITIES TAKEOVERS Section 105	IN (b) are subsequently Allotted before a date specified in or determined in accordance with the terms of the offer; or ...	(b) are subsequently Aallotted before a date specified in or determined in accordance with the terms of the offer; or ...	
14.	PART 10: ACCOUNTS, REPORTS AND AUDIT  CHAPTER 2— ACCOUNTS AND REPORTS  Section 131	<b>131. Accounts</b> (1) The Directors of every Company must ensure that accounts are prepared in relation to each financial year of the Company and that the accounts comply with the requirements in this section.  (2) The accounts must: (a) be prepared in accordance with accounting principles or standards prescribed by the Rules or otherwise approved by the Registrar; and (b) show a true and fair view of the profit or loss of the Company for the period and of the state of the Company's affairs at the end of the period; and (c) comply with any other requirements of these Regulations and the Rules.  (3) The Directors of a Company must approve the Company's accounts and must ensure that they are signed on their behalf by at least 1 Director.  (4) The Directors of a Company must ensure that, within 6 months after the end of each financial year of the Company, the accounts for that year are: (a) prepared and approved by the Directors; and (b) examined and reported upon by an Auditor; and (c) if the Company is a Public Company—laid before a General Meeting, together with a copy	<b>131. Accounts</b> (1) The Directors of every Company must ensure that accounts are prepared in relation to each financial year of the Company and that the accounts comply with the requirements in this section.  (2) The accounts must: (a) be prepared in accordance with accounting principles or standards prescribed by the Rules or otherwise approved by the Registrar; and (b) show a true and fair view of the profit or loss of the Company for the period and of the state of the Company's affairs at the end of the period; and (c) comply with any other requirements of these Regulations and the Rules.  (3) The Directors of a Company must approve the Company's accounts and must ensure that they are signed on their behalf by at least 1 Director.  (4) The Directors of a Company must ensure that, within 6 months after the end of each financial year of the Company, the accounts for that year are: (a) prepared and approved by the Directors; and (b) examined and reported upon by an Auditor; and (c) if the Company is a Public Company—laid before a General Meeting, together with a copy	Item 4 (audit requirements) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper



		<p>of the Auditor's report and Directors' report, for discussion and, if considered appropriate, approval by the Shareholders; and  (d) for all Companies—sent, together with (if applicable) a copy of the Auditor's report or Directors' report (or both), to every Shareholder, other than a Shareholder for whom the Company does not have a current postal address.</p> <p>(5) A Company must file with the Registrar, within 14 days after the day subsection (4)(d) is complied with in relation to a financial year, a copy of the accounts and the Auditor's report for the financial year and, if the Company is a Public Company, a copy of the Directors' report prepared under section 133 (Directors' reports for Public Companies) for the financial year.</p> <p>(6) Unless otherwise provided in its Articles of Association, a Private Company and its Directors are not required to comply with subsections (4)(b) and (5) if the Company, during the current year for which the accounts are being prepared and, if the Company has existed for more than 1 financial year, the year immediately before that financial year, has:  (a) an annual turnover of not more than U.S. \$5,000,000; and  (b) an average of not more than 20 Shareholders.</p> <p>(7) However, the Shareholders representing not less than 10% of the nominal value of the share capital of a Private Company to which subsection (6) applies may, by Written notice given to the Company no earlier than the start of any financial year and no later than 1 month before the end of</p>	<p>of the Auditor's report and Directors' report, for discussion and, if considered appropriate, approval by the Shareholders; and  (d) for all Companies—sent, together with (if applicable) a copy of the Auditor's report or Directors' report (or both), to every Shareholder, other than a Shareholder for whom the Company does not have a current postal address.</p> <p>(5) A Company must file with the Registrar, within 14 days after the day subsection (4)(d) is complied with in relation to a financial year, a copy of the accounts and the Auditor's report for the financial year and, if the Company is a Public Company, a copy of the Directors' report prepared under section 133 (Directors' reports for Public Companies) for the financial year.</p> <p>(6) Unless otherwise provided in its Articles of Association, a Private Company and its Directors are not required to comply with subsections (4)(b) and (5) if the Company, <del>during the current year for which the accounts are being prepared and, if the Company has existed for more than 1 financial year, the year immediately before that financial year,</del> has: <del>(a) an annual turnover of not more than U.S. \$5,000,000.; and</del>  <del>(b) an average of not more than 20 Shareholders.</del></p> <p>(7) However, the Shareholders representing not less than 10% of the nominal value of the share capital of a Private Company to which subsection (6) applies may, by Written notice given to the Company no earlier than the start of any financial year and no later than 1 month before the end of the financial year, require the Company to obtain</p>	
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		<p>the financial year, require the Company to obtain an audit of its accounts for financial year. The Directors of the Company must ensure that the request is complied with.</p> <p>(8) If a provision of this section requires the Directors of a Company to do something, each of the Directors are severally liable if the thing is not done as required by this section.</p> <p>(9) Contravention of this section is punishable by a fine.</p>	<p>an audit of its accounts for financial year. The Directors of the Company must ensure that the request is complied with.</p> <p>(8) If a provision of this section requires the Directors of a Company to do something, each of the Directors are severally liable if the thing is not done as required by this section.</p> <p>(9) Contravention of this section is punishable by a fine.</p>	
15.	<p>PART 10: ACCOUNTS, REPORTS AND AUDIT</p> <p>CHAPTER 3— AUDITORS</p> <p>Section 136.</p>	<p><b>136. Appointment and removal of Auditors</b></p> <p>(1) If a Company is required by these Regulations to have its accounts examined and AIFC reported on by an Auditor, the Company must appoint an Auditor to examine and report on, in accordance with these Regulations and the Rules, the accounts prepared under section 131 (Accounts).</p> <p>(2) A Person, who is not an Auditor, must not:</p> <p>(a) consent to be appointed as an Auditor of a Company; or</p> <p>(b) act as an Auditor of a Company; or</p> <p>(c) prepare any report required by these Regulations and the Rules to be prepared by an Auditor.</p> <p>(3) Contravention of subsection (2) is punishable by a fine.</p>	<p><b>136. Appointment and removal of Auditors</b></p> <p>(1) If a Company is required by these Regulations to have its accounts examined and AIFC reported on by an Auditor, the Company must appoint an Auditor to examine and report on, in accordance with these Regulations and the Rules, the accounts prepared under section 131 (Accounts).</p> <p>(2) A Person, who is not an Auditor, must not:</p> <p>(a) consent to be appointed as an Auditor of a Company; or</p> <p>(b) act as an Auditor of a Company; or</p> <p>(c) prepare any report required by these Regulations and the Rules to be prepared by an Auditor.</p> <p>(3) Contravention of subsection (2) is punishable by a fine.</p>	<p>Item 4 (audit requirements) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper</p>

		<p>(4) The appointment of a firm as an Auditor of a Company is taken to be an appointment of each Person who is a partner of the firm.</p> <p>(5) A Public Company must, at each Annual General Meeting at which the accounts for the previous financial year are laid, appoint an Auditor to hold office from the conclusion of that meeting to the conclusion of the next Annual General Meeting at which the accounts are laid.</p> <p>(6) A Private Company must, within 6 months after the end of a financial year or, if earlier, before the day the accounts are sent to the Shareholders, appoint an Auditor to hold office from that date until the end of the next period for appointing Auditors.</p> <p>(7) The appointment of an Auditor by a Private Company must be by a resolution of its Directors unless the Shareholders, at a General Meeting, have appointed an Auditor by an Ordinary Resolution.</p> <p>(8) The Directors of a Public Company may, at any time before the first General Meeting at which the accounts for the previous financial year are laid, appoint an Auditor to hold office to the conclusion of the first General Meeting.</p> <p>(9) The Directors of a Company may fill any casual vacancy in the office of Auditor on the terms they consider appropriate. An Auditor appointed to fill a casual vacancy holds office:</p>	<p>(4) The appointment of a firm as an Auditor of a Company is taken to be an appointment of each Person who is a partner of the firm.</p> <p>(5) A Public Company must, at each Annual General Meeting at which the accounts for the previous financial year are laid, appoint an Auditor to hold office from the conclusion of that meeting to the conclusion of the next Annual General Meeting at which the accounts are laid.</p> <p>(6) <b>Subject to 131(6),</b> a Private Company must, within 6 months after the end of a financial year or, if earlier, before the day the accounts are sent to the Shareholders, appoint an Auditor to hold office from that date until the end of the next period for appointing Auditors.</p> <p>(7) The appointment of an Auditor by a Private Company must be by a resolution of its Directors unless the Shareholders, at a General Meeting, have appointed an Auditor by an Ordinary Resolution.</p> <p>(8) The Directors of a Public Company may, at any time before the first General Meeting at which the accounts for the previous financial year are laid, appoint an Auditor to hold office to the conclusion of the first General Meeting.</p> <p>(9) The Directors of a Company may fill any casual vacancy in the office of Auditor on the terms they consider appropriate. An Auditor appointed to fill a casual vacancy holds office:</p>	
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		<p>(a) for a Public Company—until the conclusion of the next General Meeting at which the accounts for the previous financial year are laid; or  (b) for a Private Company—until the end of the next period for appointing Auditors.</p> <p>(10) Subject to subsection (9), the Company may, by Ordinary Resolution, fix the Auditor’s remuneration.</p> <p>(11) A Company must not appoint an Auditor under this section unless:  (a) the Auditor has, before the appointment, consented in Writing to the Company; and  (b) the Company is not, on reasonable inquiry, aware of any matter that should prevent the Auditor from giving the Auditor’s consent under paragraph (a).</p> <p>(12) An Auditor must not consent to an appointment as an Auditor of a Company if:  (a) the Auditor has, or may reasonably be perceived to have, a conflict of interest; or  (b) the Auditor does not have, or may reasonably be perceived not to have, a requisite degree of independence from the Company; or  (c) the Auditor, or any associate of the Auditor in a firm or business undertaking, has acted as an Auditor of the Company within the earlier period or frequency prescribed by the Rules.</p> <p>(13) A Company may, despite anything in any agreement between it and its Auditor, remove the Auditor at any time by Resolution.</p>	<p>(a) for a Public Company—until the conclusion of the next General Meeting at which the accounts for the previous financial year are laid; or  (b) for a Private Company—until the end of the next period for appointing Auditors.</p> <p>(10) Subject to subsection (9), the Company may, by Ordinary Resolution, fix the Auditor’s remuneration.</p> <p>(11) A Company must not appoint an Auditor under this section unless:  (a) the Auditor has, before the appointment, consented in Writing to the Company; and  (b) the Company is not, on reasonable inquiry, aware of any matter that should prevent the Auditor from giving the Auditor’s consent under paragraph (a).</p> <p>(12) An Auditor must not consent to an appointment as an Auditor of a Company if:  (a) the Auditor has, or may reasonably be perceived to have, a conflict of interest; or  (b) the Auditor does not have, or may reasonably be perceived not to have, a requisite degree of independence from the Company; or  (c) the Auditor, or any associate of the Auditor in a firm or business undertaking, has acted as an Auditor of the Company within the earlier period or frequency prescribed by the Rules.</p> <p>(13) A Company may, despite anything in any agreement between it and its Auditor, remove the Auditor at any time by Resolution.</p>	
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		<p>(14) The Court may, on application made by the Registrar, order the removal of the Auditor of a Company.</p> <p>(15) This section does not deprive an Auditor removed under this section of compensation or damages payable to the Auditor in respect of the termination of the Auditor's appointment.</p> <p>(16) Every Company and its Officers must take reasonable efforts to provide the information and assistance required by an Auditor for the Exercise of the Auditor's Functions under these Regulations or the Rules.</p>	<p>(14) The Court may, on application made by the Registrar, order the removal of the Auditor of a Company.</p> <p>(15) This section does not deprive an Auditor removed under this section of compensation or damages payable to the Auditor in respect of the termination of the Auditor's appointment.</p> <p>(16) Every Company and its Officers must take reasonable efforts to provide the information and assistance required by an Auditor for the Exercise of the Auditor's Functions under these Regulations or the Rules.</p>	
16.	<p>PART 12: RECOGNISED COMPANIES</p> <p>Section 147</p>	<p><b>147. Requirements of Recognised Company</b></p> <p>(1) A Recognised Company must:</p> <p>(a) appoint and retain at all times at least 1 Person who is authorised to accept service of any Document or notice on behalf of the Recognised Company and to Exercise any other Function prescribed by the Rules; and</p> <p>(b) have a place of business in the AIFC to which all communications and notices may be addressed; and</p> <p>(c) file with the Registrar, in the form and way required by the Rules, notice of the following:</p> <p>(i) the appointment of Persons authorised to accept service for the Recognised Company;</p> <p>(ii) the address of the principal place of business of the Recognised Company in the AIFC;</p>	<p><b>147. Requirements of Recognised Company</b></p> <p>(1) A Recognised Company must:</p> <p>(a) appoint and retain at all times at least 1 Person who is authorised to accept service of any Document or notice on behalf of the Recognised Company and to Exercise any other Function prescribed by the Rules; and</p> <p>(b) have a place of business in the AIFC to which all communications and notices may be addressed; and</p> <p>(c) file with the Registrar, in the form and way required by the Rules, notice of the following:</p> <p>(i) the appointment of Persons authorised to accept service for the Recognised Company;</p> <p>(ii) the address of the principal place of business of the Recognised Company in the AIFC;</p>	<p>Item 8 (technical enhancements) of the amendments set out in "Key Elements of the proposed amendments" of the Consultation Paper</p>

		<p>(iii) details of Persons authorised to accept service and the address of its principal place of business in the AIFC;</p> <p>(iv) details of the Recognised Company's shareholders or members;</p> <p>(v) details of the Recognised Company's Directors and Secretary; and</p> <p>(d) give the Registrar a copy of each annual return filed in its jurisdiction of incorporation, within 30 days after the day it files the annual return in that jurisdiction; and</p> <p>(e) comply with any other requirement prescribed by the Rules.</p> <p>(2) The Rules or any other Legislation Administered by the Registrar may:</p> <p>(a) prescribe procedures in relation to the requirements under this Part; and</p> <p>(b) exclude, waive or modify any requirements under this Part in relation to different cases or classes of case.</p> <p>(3) Contravention of this section is punishable by a fine.</p>	<p>(iii) details of Persons authorised to accept service and the address of its principal place of business in the AIFC;</p> <p>(iv) details of the Recognised Company's shareholders or members;</p> <p>(v) details of the Recognised Company's Directors and Secretary; and</p> <p>(d) give the Registrar a copy of each annual return <u>or comparable document</u> filed in its jurisdiction of incorporation, within 30 days after the day it files the annual return <u>or comparable document</u> in that jurisdiction; and</p> <p>(e) comply with any other requirement prescribed by the Rules.</p> <p>(2) The Rules or any other Legislation Administered by the Registrar may:</p> <p>(a) prescribe procedures in relation to the requirements under this Part; and</p> <p>(b) exclude, waive or modify any requirements under this Part in relation to different cases or classes of case.</p> <p>(3) Contravention of this section is punishable by a fine.</p>	
17.	SCHEDULE 1: INTERPRETATION	<p><b>4. Definitions for these Regulations</b></p> <p><b>Employee</b>, of a Company, means an individual who is appointed or employed by the Company and whose services are provided to, or for the purposes of, the Company, and includes an Officer of the Company.</p>	<p><b>4. Definitions for these Regulations</b></p> <p><b>Employee</b>, of a Company, means an individual who is appointed or employed by the Company and whose services are provided to, or for the purposes of, the Company, and includes an Officer of the Company. <u>However, with respect to a Director, the Company itself must decide whether its Director is an Employee or not. If this</u></p>	Item 6 (Director status) of the amendments set out in "Key Elements of the proposed amendments" of the Consultation Paper

			<u>is the case, a contract of employment must be in place.</u>	
		<b>Incorporator</b> , of a Company (or proposed Company), means a Person to whom Shares in the Company (or proposed Company) are Allotted (or are to be Allocated) on the incorporation of the Company (or proposed Company).	<b>Incorporator</b> , of a Company (or proposed Company), means a Person to whom Shares in the Company (or proposed Company) are <del>Allotted</del> (or are to be <del>Allocated</del> -allotted) on the incorporation of the Company (or proposed Company).	Item 8 (technical enhancements) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper
<b>AIFC FOUNDATIONS REGULATIONS</b>				
18.	PART 3: ESTABLISHMENT OF AN AIFC FOUNDATION  Section 14	<b>14. Creation</b>  (1) The Founder(s) may apply for the establishment of a Foundation by signing and filing with the Registrar an application for its establishment in the manner prescribed by the Registrar.  (2) The application filed with the Registrar under subsection (1) shall be signed by each Founder and shall include: (a) the name of the proposed Foundation; (b) the address of the proposed Foundation’s registered office in the AIFC; (c) the full name, nationality and address of each Founder; (d) the full name, nationality and address of each of the proposed members of the Council of the proposed Foundation; (e) the Charter of the proposed Foundation; (f) the By-laws of the proposed Foundation;	<b>14. Creation</b>  (1) The Founder(s) may apply for the establishment of a Foundation by signing and filing with the Registrar an application for its establishment in the manner prescribed by the Registrar.  (2) The application filed with the Registrar under subsection (1) shall be signed by each Founder and shall include: (a) the name of the proposed Foundation; (b) the address of the proposed Foundation’s registered office in the AIFC; (c) the full name, nationality and address of each Founder; (d) the full name, nationality and address of each of the proposed members of the Council of the proposed Foundation;	Item 3 (standard constitutional documents) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper

		<p>(g) the particulars required by Part 16 (Ultimate Beneficial Owners) of the AIFC Companies Regulations; and</p> <p>(h) such other particulars as the Registrar may require.</p> <p>(3) The provisions of section 21 (Prohibition against use of misleading, deceptive or conflicting Company names) of the AIFC Companies Regulations shall apply to a Foundation in respect of the use of misleading, deceptive or conflicting names.</p> <p>...</p>	<p>(e) the Charter of the proposed Foundation <u>(subject to subsections 16(7) and 16(7-1) (Charter);</u></p> <p>(f) the By-laws of the proposed Foundation <u>(subject to subsections 17(5) and 17(5-1) (By-laws);</u></p> <p>(g) the particulars required by Part 16 (Ultimate Beneficial Owners) of the AIFC Companies Regulations; and</p> <p>(h) such other particulars as the Registrar may require.</p> <p>(3) The provisions of section 21 (Prohibition against use of misleading, deceptive or conflicting Company names) of the AIFC Companies Regulations shall apply to a Foundation in respect of the use of misleading, deceptive or conflicting names.</p> <p>...</p>	
19.	<p>PART 3: ESTABLISHMENT OF AN AIFC FOUNDATION</p> <p>Section 16</p>	<p><b>16. Charter</b></p> <p>...</p> <p>(7) The Board of Directors of the AFSA may prescribe model provisions to be known as the “Standard Charter”, and a Foundation may, for its Charter, adopt the whole or any part thereof as are applicable to that Foundation.</p> <p>...</p>	<p><b>16. Charter</b></p> <p>...</p> <p>(7) <del>The Board of Directors of the AFSA may prescribe model provisions to be known as the “Standard Charter”, and a Foundation may, for its Charter, adopt the whole or any part thereof as are applicable to that Foundation.</del></p> <p><u>A Foundation may adopt, as its Charter, the whole or any part of the Standard Charter as is applicable to the Foundation.</u></p> <p><u>(7-1) If the Standard Charter is not adopted by a Foundation in its entirety, the Foundation must submit to the Registrar of Companies, before the</u></p>	<p>Item 3 (standard constitutional documents) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper</p>

			<p><u>charter is adopted by the Foundation, a statement by the Founder(s) that the Charter proposed to be adopted by the Foundation complies with the requirements of these Regulations and all other applicable AIFC Regulations and AIFC Rules.</u></p> <p><u>(7-2) If any change to these Regulations or any other applicable AIFC Regulations or AIFC Rules results in an inconsistency between the provisions of a Foundation’s Charter and the provisions of these Regulations or any other applicable AIFC Regulations or AIFC Rules:</u></p> <p><u>(a) the provisions of these Regulations and any other applicable AIFC Regulations and AIFC Rules prevail; and</u></p> <p><u>(b) the Foundation is not required to amend its Charter, unless these Regulations or any other applicable AIFC Regulations expressly require it to do so.</u></p> <p>...</p>	
20.	<p>PART 3: ESTABLISHMENT OF AN AIFC FOUNDATION</p> <p>Section 17</p>	<p><b>17. By-laws</b></p> <p>...</p> <p>(5) The Board of Directors of the AFSA may prescribe by way of AIFC Acts model provisions to be known as the “Standard By-laws”, and a Foundation may adopt the whole or any part thereof as are applicable to that Foundation.</p> <p>...</p>	<p><b>17. By-laws</b></p> <p>...</p> <p>(5) <del>The Board of Directors of the AFSA may prescribe by way of AIFC Acts model provisions to be known as the “Standard By-laws”, and a Foundation may adopt the whole or any part thereof as are applicable to that Foundation.</del></p> <p><u>A Foundation may adopt, as its By-laws, the whole or any part of the Standard By-laws as are applicable to the Foundation.</u></p>	<p>Item 3 (standard constitutional documents) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper</p>



			<p><u>(5-1) If the Standard By-laws are not adopted by a Foundation in its entirety, the Foundation must submit to the Registrar of Companies, before the By-laws are adopted by the Foundation, a statement by the Founder(s) that the By-laws proposed to be adopted by the Foundation comply with the requirements of these Regulations and all other applicable AIFC Regulations and AIFC Rules.</u></p> <p><u>(5-2) If any change to these Regulations or any other applicable AIFC Regulations or AIFC Rules results in an inconsistency between the provisions of a Foundation's By-laws and the provisions of these Regulations or any other applicable AIFC Regulations or AIFC Rules:</u></p> <p><u>(a) the provisions of these Regulations and any other applicable AIFC Regulations and AIFC Rules prevail; and</u></p> <p><u>(b) the Foundation is not required to amend its By-laws, unless these Regulations or any other applicable AIFC Regulations expressly require it to do so.</u></p> <p>...</p>	
21.	<p><u>PART 10-1: ANTI-MONEY LAUNDERING AND COUNTER TERRORIST FINANCING OBLIGATIONS</u></p> <p><u>Sections 59-1, 59-2 and 59-3</u></p>	None	<p><b><u>PART 10-1: ANTI-MONEY LAUNDERING AND COUNTER TERRORIST FINANCING OBLIGATIONS</u></b></p> <p><b><u>59-1. Obligations in respect of payments and transactions</u></b></p> <p><u>A Foundation must carry out its payments and transactions of the third parties through a banking and financial intermediary (a regulated financial</u></p>	Item 5 (AML/CFT obligations and supervision) of the amendments set out in "Key Elements of the proposed amendments" of the Consultation Paper

institution) based in the AIFC jurisdiction, Republic of Kazakhstan, or in a jurisdiction that is a FATF member or an equivalent jurisdiction.

**59-2. Notification obligations**

(1) A Foundation must immediately notify the AFSA when it becomes aware of:

(a) complex or unusually large transactions, or an unusual pattern of transactions;

(b) transactions which have no apparent economic or legal purpose; and

(c) other activity which the Foundation regards as particularly likely by its nature to be related to money laundering or terrorist financing.

(2) A Foundation must inform the AFSA in writing as soon as possible if, in relation to its activities carried on as part of the AIFC or in relation to any of its branches or subsidiaries, it:

(a) receives a request for information from a regulator or agency responsible for anti-money laundering and counter-terrorism financing, or sanctions compliance in connection with potential money laundering, terrorist financing, or sanctions breaches;

(b) becomes aware, or has reasonable grounds to believe, that a money laundering event has occurred or may have occurred in or through its business;

(c) becomes aware of any money laundering or sanctions matter in relation to the Foundation or its branch or subsidiary which could result in adverse reputational consequences to the Foundation; or

			<p><u>(d) becomes aware of a significant breach of the AIFC AML regulation framework or a breach of the relevant Kazakhstan legislation by the Foundation or any of its employees.</u></p> <p><b><u>59-3. Reporting and record keeping</u></b></p> <p><u>(1) A Foundation must file information about transactions, identified risks of money laundering and terrorist financing and any suspicious activities on request of the AFSA and Financial Intelligence Unit of the Republic of Kazakhstan (FIU).</u></p> <p><u>(2) The information must be filed in the form and manner prescribed by the AFSA and FIU and must contain the information required by the AFSA and FIU.</u></p> <p><u>(3) A Foundation must maintain the following records:</u></p> <p><u>(a) the supporting documents (consisting of the original documents or certified copies) in respect of the customer business relationship, including transactions;</u></p> <p><u>(b) suspicious activities and any relevant supporting documents and information, including internal findings and analysis of money laundering and terrorist financing risks; any relevant communications with the FIU;</u></p> <p><u>(c) for at least six years from the date on which the notification or report was made, the business relationship ends or the transaction is completed, whichever occurs last.</u></p>	
22.	SCHEDULE 1 INTERPRETATION	<b>SCHEDULE 1 INTERPRETATION</b> None	<b>SCHEDULE 1 INTERPRETATION</b> ...	Item 3 (standard constitutional documents) of the amendments set out in “Key Elements of the

			<p><u>Standard By-laws means standard by-laws prescribed by these Regulations.</u></p> <p><u>Standard Charter means a standard charter prescribed by these Regulations.</u></p> <p>...</p>	proposed amendments” of the Consultation Paper
23.		None	<b><u>SCHEDULE 4 STANDARD FOUNDATION CHARTER</u></b>	Item 3 (standard constitutional documents) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper
24.		None	<b><u>SCHEDULE 5 STANDARD FOUNDATION BY-LAWS</u></b>	Item 3 (standard constitutional documents) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper
<b>AIFC GENERAL PARTNERSHIP REGULATIONS</b>				
25.	PART 2: FORMATION AND REGISTRATION  Section 10	<b>10. General partnership agreement</b>  Each partner of a general partnership formed in the AIFC must enter into a partnership agreement signed by all the partners.	<b>10. General partnership agreement</b>  <u>(1) Each partner of a general partnership formed in the AIFC must enter into a partnership agreement signed by all the partners.</u>  <u>(2) A general partnership may adopt, as its partnership agreement, the whole or any part of the Standard Partnership Agreement that is relevant to the general partnership.</u>  <u>(3) If the Standard Partnership Agreement is not adopted by a general partnership in its entirety,</u>	Item 3 (standard constitutional documents) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper

			<p><u>the general partnership must submit to the Registrar of Companies, before the partnership agreement is adopted by the general partnership, a statement by the initial partners that the partnership agreement proposed to be adopted by the general partnership complies with the requirements of these Regulations, the Rules and all other applicable AIFC Regulations and AIFC Rules.</u></p> <p><u>(4) If any change to these Regulations, the Rules or any other applicable AIFC Regulations or AIFC Rules results in an inconsistency between the provisions of a general partnership’s agreement and the provisions of these Regulations, the Rules or any other applicable AIFC Regulations or AIFC Rules:</u></p> <p><u>(a) the provisions of these Regulations and any other applicable AIFC Regulations and AIFC Rules prevail; and</u></p> <p><u>(b) the general partnership is not required to amend its partnership agreement, unless these Regulations, the Rules or any other applicable AIFC Regulations expressly require it to do so.</u></p>	
26.		<p><b>SCHEDULE 1: INTERPRETATION</b></p> <p><b>1. Definitions for these Regulations</b></p> <p>...</p> <p>None</p> <p>...</p>	<p><b>SCHEDULE 1: INTERPRETATION</b></p> <p><b>1. Definitions for these Regulations</b></p> <p>...</p> <p><u><b>Standard Partnership Agreement</b> means a standard partnership agreement prescribed by the Rules.</u></p> <p>...</p>	<p>Item 3 (standard constitutional documents) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper</p>

**AIFC LIMITED PARTNERSHIP REGULATIONS**

PART 2:  
FORMATION AND  
REGISTRATION

Section 10

**10. Partnership agreement of limited partnership formed in AIFC**  
...

(3) The partnership agreement must be a Written agreement between the partners about the affairs of the partnership and the conduct of its business, purpose or activity.

(4) The partnership agreement must be binding on the initial partners and their assigns, and on subsequent partners and their assigns, in the same way as if they had all executed the agreement.

(5) The partnership agreement may be amended only by a Written instrument and all amendments must be binding in the way mentioned in subsection (3).

**10. Partnership agreement of limited partnership formed in AIFC**  
...

(3) The partnership agreement must be a Written agreement between the partners about the affairs of the partnership and the conduct of its business, purpose or activity.

(4) The partnership agreement must be binding on the initial partners and their assigns, and on subsequent partners and their assigns, in the same way as if they had all executed the agreement.

(5) The partnership agreement may be amended only by a Written instrument and all amendments must be binding in the way mentioned in subsection (3).

(6) A limited partnership may adopt, as its partnership agreement, the whole or any part of the Standard Partnership Agreement that is relevant to the limited partnership.

(7) If the Standard Partnership Agreement is not adopted by a limited partnership in its entirety, the limited partnership must submit to the Registrar of Companies, before the partnership agreement is adopted by the limited partnership, a statement by the initial partners that the partnership agreement proposed to be adopted by the limited partnership complies with the

Item 3 (standard constitutional documents) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper

			<p><u>requirements of these Regulations, the Rules and all other applicable AIFC Regulations and AIFC Rules.</u></p> <p><u>(8) If any change to these Regulations, the Rules or any other applicable AIFC Regulations or AIFC Rules results in an inconsistency between the provisions of a limited partnership’s agreement and the provisions of these Regulations, the Rules or any other applicable AIFC Regulations or AIFC Rules:</u></p> <p><u>(a) the provisions of these Regulations and any other applicable AIFC Regulations and AIFC Rules prevail; and</u></p> <p><u>(b) the limited partnership is not required to amend its partnership agreement, unless these Regulations, the Rules or any other applicable AIFC Regulations expressly require it to do so.</u></p>	
27.	<p>PART 2: FORMATION AND REGISTRATION</p> <p>Section 12</p>	<p><b>12. Limited Partnerships: registration</b> ...</p> <p>(5) A copy of the entire partnership agreement must be filed with the application. ...</p> <p>(8) If the Registrar of Companies decides to register the limited partnership, the Registrar must: ...</p> <p>(f) register the partnership agreement that accompanied the application for incorporation.</p>	<p><b>12. Limited Partnerships: registration</b> ...</p> <p>(5) A copy of the entire partnership agreement must be filed with the application <u>along with the statement mentioned in section 10(7) (Partnership agreement of limited partnership formed in AIFC) unless the Standard Partnership Agreement is adopted by a limited partnership in its entirety.</u> ...</p> <p>(8) If the Registrar of Companies decides to register the limited partnership, the Registrar must: ...</p>	<p>Item 3 (standard constitutional documents) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper</p>

			(f) register the partnership agreement that accompanied the application for incorporation <u>unless the Standard Partnership Agreement is adopted by a limited partnership in its entirety.</u>	
28.		<b>SCHEDULE 1: INTERPRETATION</b>  <b>1. Definitions for these Regulations</b> ... None	<b>SCHEDULE 1: INTERPRETATION</b>  <b>1. Definitions for these Regulations</b> ... <u>Standard Limited Partnership Agreement means a standard partnership agreement prescribed by the Rules.</u> ...	Item 3 (standard constitutional documents) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper
<b>AIFC LIMITED LIABILITY PARTNERSHIP REGULATIONS</b>				
29.	PART 2: FORMATION AND REGISTRATION	<b>10. Method of formation</b> ... (4) A copy of the partnership agreement must be filed with the application. ... (7) If the Registrar of Companies incorporates a Limited Liability Partnership, the Registrar must register the partnership agreement that accompanied the application for incorporation.	<b>10. Method of formation</b> ... (4) A copy of the partnership agreement must be filed with the application <u>along with the statement mentioned in section 11(5) (Limited Liability Partnership agreement) unless the Standard Partnership Agreement is adopted by a Limited Liability Partnership in its entirety.</u> ... (7) If the Registrar of Companies incorporates a Limited Liability Partnership, the Registrar must register the partnership agreement that accompanied the application for incorporation <u>unless the Standard Partnership Agreement is adopted by a Limited Liability Partnership in its entirety.</u>	Item 3 (standard constitutional documents) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper



30.	PART 2: FORMATION AND REGISTRATION	<p><b>11. Limited Liability Partnership agreement</b></p> <p>...</p> <p>(3) If the partnership agreement of a Limited Liability Partnership is amended, the partnership must file with the Registrar of Companies a copy of the amendments and a copy of the agreement as it has been amended.</p>	<p><b>11. Limited Liability Partnership agreement</b></p> <p>...</p> <p>(3) If the partnership agreement of a Limited Liability Partnership is amended, the partnership must file with the Registrar of Companies a copy of the amendments and a copy of the agreement as it has been amended.</p> <p><u>(4) A limited liability partnership may adopt, as its partnership agreement, the whole or any part of the Standard Partnership Agreement that is relevant to the Limited Liability Partnership.</u></p> <p><u>(5) If the Standard Partnership Agreement is not adopted by a Limited Liability Partnership in its entirety, the Limited Liability Partnership must submit to the Registrar of Companies, before the partnership agreement is adopted by the Limited Liability Partnership, a statement by the initial partners that the partnership agreement proposed to be adopted by the Limited Liability Partnership complies with the requirements of these Regulations, the Rules and all other applicable AIFC Regulations and AIFC Rules.</u></p> <p><u>(6) If any change to these Regulations, the Rules or any other applicable AIFC Regulations or AIFC Rules results in an inconsistency between the provisions of a Limited Liability Partnership's agreement and the provisions of these Regulations, the Rules or any other applicable AIFC Regulations or AIFC Rules:</u></p> <p><u>(a) the provisions of these Regulations and any other applicable AIFC Regulations and AIFC Rules prevail; and</u></p>	Item 3 (standard constitutional documents) of the amendments set out in "Key Elements of the proposed amendments" of the Consultation Paper
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			<u>(b) the Limited Liability Partnership is not required to amend its partnership agreement, unless these Regulations, the Rules or any other applicable AIFC Regulations expressly require it to do so.</u>	
31.	<p>PART 7: ACCOUNTS AND AUDIT</p> <p>CHAPTER 2– ACCOUNTING RECORDS AND ACCOUNTS</p> <p>Section 30</p>	<p><b>30. Accounts of Limited Liability Partnerships</b></p> <p>(1) The members of a Limited Liability Partnership must ensure that accounts are prepared for the partnership in relation to each financial year of the partnership and that the requirements of this section are complied with in relation to the accounts.</p> <p>(2) The accounts must:</p> <p>(a) be prepared in accordance with accounting principles or standards prescribed by the Rules or otherwise approved by the Registrar of Companies; and</p> <p>(b) show a true and fair view of the profit or loss of the Limited Liability Partnership for the financial year and of the state of the partnership’s affairs at the end of the financial year; and</p> <p>(c) comply with any other requirements of these Regulations and the Rules.</p> <p>(3) Within 6 months after the end of the financial year, the accounts for the financial year must be:</p> <p>(a) prepared and approved by all the members; and</p> <p>(b) signed on their behalf by at least 1 of the members; and</p> <p>(c) examined and reported on by an Auditor.</p>	<p><b>30. Accounts of Limited Liability Partnerships</b></p> <p>(1) The members of a Limited Liability Partnership must ensure that accounts are prepared for the partnership in relation to each financial year of the partnership and that the requirements of this section are complied with in relation to the accounts.</p> <p>(2) The accounts must:</p> <p>(a) be prepared in accordance with accounting principles or standards prescribed by the Rules or otherwise approved by the Registrar of Companies; and</p> <p>(b) show a true and fair view of the profit or loss of the Limited Liability Partnership for the financial year and of the state of the partnership’s affairs at the end of the financial year; and</p> <p>(c) comply with any other requirements of these Regulations and the Rules.</p> <p>(3) Within 6 months after the end of the financial year, the accounts for the financial year must be:</p> <p>(a) prepared and approved by all the members; and</p> <p>(b) signed on their behalf by at least 1 of the members; and</p> <p>(c) examined and reported on by an Auditor <u>subject to section 31 below.</u></p>	<p>Item 4 (audit requirements) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper</p>

		<p>(4) The Limited Liability Partnership must file a copy of its accounts for the financial year, and the Auditor's report on the accounts, with the Registrar of Companies within 7 days after the day the accounts have been reported on by the Auditor.</p> <p>(5) Contravention of this section is punishable by a fine.</p>	<p>(4) The Limited Liability Partnership must file a copy of its accounts for the financial year, and the Auditor's report on the accounts, <b>if applicable</b>, with the Registrar of Companies within 7 days after the day the accounts have been reported on by the Auditor.</p> <p>(5) Contravention of this section is punishable by a fine.</p>	
32.	<p>PART 7: ACCOUNTS AND AUDIT</p> <p>CHAPTER 2- ACCOUNTING RECORDS AND ACCOUNTS</p> <p>Section 31</p>	<p><b>31. Appointment of Auditors</b></p> <p>(1) A Limited Liability Partnership must appoint an Auditor to examine and report on, in accordance with these Regulations and the Rules, the accounts prepared under section 30 (Accounts of Limited Liability Partnership).</p> <p>(2) A Person who is not an Auditor must not: (a) consent to be appointed as an Auditor of a Limited Liability Partnership; or (b) act as an Auditor of a Limited Liability Partnership; or (c) prepare any report required by these Regulations and the Rules to be prepared by an Auditor.</p> <p>(3) Contravention of subsection (2) is punishable by a fine.</p> <p>(4) The appointment of a firm as an Auditor of a Company is taken to be an appointment of each Person who is a partner of the firm.</p>	<p><b>31. Appointment of Auditors</b></p> <p>(1) A Limited Liability Partnership must appoint an Auditor to examine and report on, in accordance with these Regulations and the Rules, the accounts prepared under section 30 (Accounts of Limited Liability Partnership), <b>except for the Limited Liability Partnership with the annual turnover of not more than U.S. \$5,000,000.</b></p> <p>(2) A Person who is not an Auditor must not: (a) consent to be appointed as an Auditor of a Limited Liability Partnership; or (b) act as an Auditor of a Limited Liability Partnership; or (c) prepare any report required by these Regulations and the Rules to be prepared by an Auditor.</p> <p>(3) Contravention of subsection (2) is punishable by a fine.</p> <p>(4) The appointment of a firm as an Auditor of a Company is taken to be an appointment of each Person who is a partner of the firm.</p>	<p>Item 4 (audit requirements) of the amendments set out in "Key Elements of the proposed amendments" of the Consultation Paper</p>

33.		<p><b>SCHEDULE 1: INTERPRETATION</b></p> <p><b>1. Definitions for these Regulations</b></p> <p>...</p> <p>None</p>	<p><b>SCHEDULE 1: INTERPRETATION</b></p> <p><b>1. Definitions for these Regulations</b></p> <p>...</p> <p><u>Standard Partnership Agreement means a standard partnership agreement prescribed by the Rules.</u></p> <p>...</p>	<p>Item 3 (standard constitutional documents) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper</p>
<b>AIFC NON-PROFIT INCORPORATED ORGANISATIONS REGULATIONS</b>				
34.	<p>PART FINANCIAL RESOURCES, ACCOUNTS AND AUDIT</p> <p>Section 22</p>	<p>4: <b>22. Accounts</b></p> <p>(1) The Founding Members of an Incorporated Organisation must ensure that accounts are prepared in relation to each financial year of the Incorporated Organisation within 6 months after the end of the financial year and that the accounts comply with the requirements of this section.</p> <p>(2) The accounts must:</p> <p>(e) be prepared in accordance with accounting principles or standards prescribed by the Rules or otherwise approved by the Registrar of Companies; and</p> <p>(f) show a true and fair view of the financial position of the Incorporated Organisation; and</p> <p>(g) comply with any other requirements of these Regulations and the Rules.</p> <p>(3) The Founding Members must approve the Incorporated Organisation’s accounts and must ensure that they are signed on their behalf by at least 1 of them.</p>	<p><b>22. Accounts</b></p> <p>(1) The Founding Members of an Incorporated Organisation must ensure that accounts are prepared in relation to each financial year of the Incorporated Organisation within 6 months after the end of the financial year and that the accounts comply with the requirements of this section.</p> <p>(2) The accounts must:</p> <p>(e) be prepared in accordance with accounting principles or standards prescribed by the Rules or otherwise approved by the Registrar of Companies; and</p> <p>(f) show a true and fair view of the financial position of the Incorporated Organisation; and</p> <p>(g) comply with any other requirements of these Regulations and the Rules.</p> <p>(3) The Founding Members must approve the Incorporated Organisation’s accounts and must</p>	<p>Item 4 (audit requirements) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper</p>

		<p>(4) The accounts must be examined and reported on by an Auditor.</p> <p>(5) An Incorporated Organisation must file its audited accounts for a financial year with the Registrar of Companies within 7 days after the day the accounts are approved by the Founding Members and reported on by an Auditor.</p> <p>(6) Contravention of this section is punishable by a fine.</p>	<p>ensure that they are signed on their behalf by at least 1 of them.</p> <p>(4) The accounts must be examined and reported on by an Auditor <b>only if the gross annual income of an Incorporated Organisation is more than 500,000 USD.</b></p> <p>(5) An Incorporated Organisation must file its audited accounts for a financial year with the Registrar of Companies within 7 days after the day the accounts are approved by the Founding Members and reported on by an Auditor.</p> <p>(6) Contravention of this section is punishable by a fine.</p>	
35.	<p><b><u>PART 8-3: ANTI-MONEY LAUNDERING AND COUNTER TERRORIST FINANCING OBLIGATIONS</u></b></p> <p><b><u>Sections 34-3, 34-4 and 35-5</u></b></p>	None	<p><b><u>PART 8-3: ANTI-MONEY LAUNDERING AND COUNTER TERRORIST FINANCING OBLIGATIONS</u></b></p> <p><b><u>34-3. Obligations in respect of payments and transactions</u></b></p> <p><b><u>An Incorporated Organisation must carry out its payments and transactions of the third parties through a banking and financial intermediary (a regulated financial institution) based in the AIFC jurisdiction, Republic of Kazakhstan, or in a jurisdiction that is a FATF member or an equivalent jurisdiction.</u></b></p> <p><b><u>34-4. Notification obligations</u></b></p>	Item 5 (AML/CFT obligations and supervision) of the amendments set out in “Key Elements of the proposed amendments” of the Consultation Paper

			<p><u>(1) An Incorporated Organisation must immediately notify the AFSA when it becomes aware of:</u></p> <p><u>(a) complex or unusually large transactions, or an unusual pattern of transactions;</u></p> <p><u>(b) transactions which have no apparent economic or legal purpose; and</u></p> <p><u>(c) other activity which an Incorporated Organisation regards as particularly likely by its nature to be related to money laundering or terrorist financing.</u></p> <p><u>(2) An Incorporated Organisation must inform the AFSA in writing as soon as possible if, in relation to its activities carried on as part of the AIFC or in relation to any of its branches or subsidiaries, it:</u></p> <p><u>(a) receives a request for information from a regulator or agency responsible for anti-money laundering and counter-terrorism financing, or sanctions compliance in connection with potential money laundering, terrorist financing, or sanctions breaches;</u></p> <p><u>(b) becomes aware, or has reasonable grounds to believe, that a money laundering event has occurred or may have occurred in or through its business;</u></p> <p><u>(c) becomes aware of any money laundering or sanctions matter in relation to the Incorporated Organisation or its branch or subsidiary which could result in adverse reputational consequences to the Incorporated Organisation;</u></p> <p><u>or</u></p> <p><u>(d) becomes aware of a significant breach of the AIFC AML regulation framework or a breach of the relevant Kazakhstan legislation by the</u></p>	
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			<p><u>Incorporated Organisation or any of its employees.</u></p> <p><b><u>34-5. Reporting and record keeping</u></b></p> <p><u>(1) An Incorporated Organisation must file information about transactions, identified risks of money laundering and terrorist financing and any suspicious activities on request of the AFSA and Financial Intelligence Unit of the Republic of Kazakhstan (FIU).</u></p> <p><u>(2) The information must be filed in the form and manner prescribed by the AFSA and FIU and must contain the information required by the AFSA and FIU.</u></p> <p><u>(3) An Incorporated Organisation must maintain the following records:</u></p> <p><u>(a) the supporting documents (consisting of the original documents or certified copies) in respect of the customer business relationship, including transactions;</u></p> <p><u>(b) suspicious activities and any relevant supporting documents and information, including internal findings and analysis of money laundering and terrorist financing risks; any relevant communications with the FIU;</u></p> <p><u>(c) for at least six years from the date on which the notification or report was made, the business relationship ends or the transaction is completed, whichever occurs last.</u></p>	
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**Annex 2  
to the Consultation Paper  
on the Proposed Enhancement of the AIFC Legal Entities Framework**

**Proposed amendments to the AIFC Rules**

In this comparative table, the underlining indicates a new text and the striking through indicates the deleted text in the proposed amendments.

No.	Part/Chapter/ Section No.	Current version	Proposed version	Comments
<b>AIFC COMPANIES RULES</b>				
36.	PART 4: PRIVATE COMPANIES AND PUBLIC COMPANIES  Rule 4.3.	<b>4.3. Allotment of Shares</b>  If a Company Allots Shares in the Company, the Company must, within 14 days after the day that it allots the Shares, notify the Registrar of Companies in Writing of the Allotment of the Shares.	<b>4.3. Allotment of Shares</b>  If a Company <del>A</del> allots Shares in the Company, the Company must, within 14 days after the day that it allots the Shares, notify the Registrar of Companies in Writing of the Allotment of the Shares.	Item 52(8) of the Policy Paper (technical amendments)  There is no definition of the “Allott”.
37.	PART 6: INVESTMENT COMPANIES	<b>6.7. Investment Companies: Shares and Register of Shareholders</b>  ...  None	<b>6.7. Investment Companies: Shares and Register of Shareholders</b>  ...  <u>6.7.8. An Investment Company shall maintain its register of Shareholders in accordance with the requirements: (a) in the AIFC Collective Investment Scheme Rules rule 7.10; and</u>	Item 52 (8) of the Policy Paper (technical amendments)  The amendments are proposed to harmonise the AIFC Companies Regulations and AIFC Companies Rules and provide clarity in obligations of Investment Companies in keeping the registers of Shareholders.



			<u>(b) in Chapter 5 of Part 7 of the AIFC Companies Regulations, to the extent that such requirements are not inconsistent with the requirements referred to in (a).</u>	<i>Eg., Regulation 1.9.2 of the DIFC Investment Companies (IC) Regulations</i>
<b>AIFC GENERAL PARTNERSHIP RULES</b>				
38.		None	<u><b>SCHEDULE 3: STANDARD PARTNERSHIP AGREEMENT FOR GENERAL PARTNERSHIPS</b></u>	Item 52(3) of the Policy Paper (development of a standard constitutional document)
<b>AIFC LIMITED PARTNERSHIP RULES</b>				
39.		None	<u><b>SCHEDULE 3: STANDARD PARTNERSHIP AGREEMENT FOR LIMITED PARTNERSHIPS</b></u>	Item 52(3) of the Policy Paper (development of a standard constitutional document)
<b>AIFC LIMITED LIABILITY PARTNERSHIP RULES</b>				
40.		None	<u><b>SCHEDULE 3: STANDARD PARTNERSHIP AGREEMENT FOR LIMITED LIABILITY PARTNERSHIPS</b></u>	Item 52(3) of the Policy Paper (development of a standard constitutional document)
<b>AIFC FEES RULES</b>				
41.	Proposal 1 - to distinguish online and paper-based registration forms and introduce different fees, i.e. 300 USD for online registration and 500 USD for paper-based registration. As a result, the following amendments are required to be introduced.			

**SCHEDULE 5:  
FEES  
PAYABLE TO  
THE  
REGISTRAR  
OF  
COMPANIES**

**SCHEDULE 5: FEES PAYABLE TO THE REGISTRAR OF COMPANIES**

An applicant seeking registration or recognition must pay the following fees to the Registrar of Companies:

	Effecting the registration or recognition
Company Limited by Shares	300*
Recognised Company	300*
Partnerships	300*
Recognised Partnership	300*
Non-Profit Incorporated Organisations	300*
Special Purpose Companies	300*
Restricted Scope Companies	300*
Protected Cell Companies	300*
Representative offices	300*

**NOTE:**

Applicants registered or recognised after July 5, 2018, but before July 5, 2019 are subject to one

**SCHEDULE 5: FEES PAYABLE TO THE REGISTRAR OF COMPANIES**

An applicant seeking registration or recognition must pay the following fees to the Registrar of Companies:

	Effecting the registration or recognition	
	online**	paper
Company Limited by Shares	300*	<u>500</u>
Recognised Company	300*	<u>500</u>
Partnerships	300*	<u>500</u>
Recognised Partnership	300*	<u>500</u>
Non-Profit Incorporated Organisations	300*	<u>500</u>
Special Purpose Companies	300*	<u>500</u>
Restricted Scope Companies	300*	<u>500</u>
Protected Cell Companies	300*	<u>500</u>
Representative offices	300*	<u>500</u>

**NOTE:**

Applicants registered or recognised after July 5, 2018, but before July 5, 2019 are subject to one

Item 52(7) of the Policy Paper (fees for online registration)

New fees are planned to be introduced starting from January 1, 2022.

		<p>single payment of 100 USD within the 12 months period from the date of registration or recognition.</p> <p>* For applicants incorporated after July 5, 2019, but before July 5, 2020 a one-time registration or recognition fee is set out at 300 USD with a possibility of paying 200 USD on the date of submission of application and deferred payment of 100 USD during the next 12 months from the date of registration or recognition</p>	<p>single payment of 100 USD within the 12 months period from the date of registration or recognition.</p> <p>* For applicants incorporated after July 5, 2019, but before July 5, 2020 a one-time registration or recognition fee is set out at 300 USD with a possibility of paying 200 USD on the date of submission of application and deferred payment of 100 USD during the next 12 months from the date of registration or recognition.</p> <p><u>**Online means submission through the AIFC approved digital systems (excluding email).</u></p>	
42.	<p>Proposal 2 - to exclude paper-based registration and keep only online registration.</p> <p>If proposal 2 is approved, no amendments to the AIFC Fees Rules will be required.</p>			

**Annex 3**  
**to the Consultation Paper**  
**on the Proposed Enhancement of the AIFC Legal Entities Framework**

**SCHEDULE 4**  
**STANDARD FOUNDATION CHARTER**

**1. INTERPRETATION**

1.1. In this Charter:

**‘By-laws’** means the By-laws of the Foundation;

**‘Charter’** means this Charter of the Foundation;

**‘Council’** means the governing body of the Foundation;

**‘Default Recipient’** is *[as specified in the application]*;

**‘Founder’** is *[as specified in the application]* who has transferred the Initial Property to the Foundation at the time of its establishment and has signed this Charter;

**‘Guardian’** is *[as specified in the application]*;

**‘Qualified Recipient’** is *[as specified in the application]*;

**‘Regulations’** means the AIFC Foundations Regulations, as amended from time to time.

1.2. In this Charter, unless the contrary intention appears:

- (i) terms have the same meanings as they have in the Regulations but excluding any statutory modification thereof not in force when this Charter becomes binding on the Foundation;
- (ii) words in the singular must include the plural and words in the plural include the singular;
- (iii) words relating to natural persons must include companies, entities, associations or bodies of persons whether incorporated or not;
- (iv) the word “may” must be construed as permissive and the word “must” as imperative; and
- (v) the headings herein are for convenience only and must not affect the construction of this Charter.

**2. FOUNDATION NAME**

*The name of the Foundation is [as specified in the application] Foundation (“the **Foundation**”).*

**3. FOUNDATION OBJECTS**

The objects of the Foundation are *[as specified in the application]*.

**4. INITIAL PROPERTY**

The initial property of the Foundation is *[as specified in the application]*, which has been agreed to be transferred to the Foundation by the Founder(s).

**5. DURATION OF FOUNDATION**

Subject to sections 52 and 53 of the Regulations, the Foundation must continue in existence *[as specified in the application]*.

## **6. DEFAULT RECIPIENT**

The Default Recipient must have the entitlements specified in section 18(1) of the Regulations.

## **7. AMENDMENT AND REVOCATION OF THIS CHARTER AND THE BY-LAWS**

*Subject to sections 16(11) and 22(2) of the Regulations, this Charter and the By-laws may be amended:*

- (a) by the Founder (where the Founder is living or in existence) at any time by notice in writing to the Foundation containing the terms of the amendment to the Charter;
- (b) at any time when the Founder is not living or in existence, by the Council if its members have unanimously approved the amendment and with the consent of the Guardian; or
- (c) by the Court pursuant to section 40 of the Regulations.

## **8. DECLARATION**

Each Founder by signing this Charter declares that it/he/she requests the Council to comply with the terms of this Charter.

**SCHEDULE 5**  
**STANDARD FOUNDATION BY-LAWS**

**1. INTERPRETATION**

In these By-laws, unless the contrary intention appears the terms have the same meanings as they have in the Charter and Regulations but excluding any statutory modification thereof not in force when these By-Laws become binding on the Foundation.

**2. THE COUNCIL**

**2.1 ESTABLISHMENT OF COUNCIL**

The Foundation must have a Council consisting of the Chairman of the Council, and not less than one other member.

**2.2 POWERS AND FUNCTIONS OF THE COUNCIL**

- (a) Subject to the Regulations and the Charter, the Foundation must be managed by the Council. No subsequent amendment to the Charter must invalidate any act of a member of the Council or the Council.
- (b) The Council may delegate any of its functions or powers to an attorney-in-fact or to a committee of the Council, provided that the extent of such delegation must be clearly stated.
- (c) The Council must be in charge of the day-to-day administration of the Foundation and must have full powers to represent the Foundation in the pursuit of its objects. Such powers include but are not limited to the power to:
  - (i) negotiate, sign, execute all contracts, transactions, arrangements, and deals of whatever kind or nature with third parties, and any authority whatsoever, in the name of the Foundation with right to terminate and amend such contracts and agreements as required from time to time;
  - (ii) open, close and manage all bank accounts pertaining to the Foundation, to carry out all banking transaction on behalf of the Foundation including without any limitation the right to issue, sign, transfer, obtain loans with or without security, bank facilities and bank guarantees and to complete and sign all applications and documents necessary for the performance of the Foundation's corporate objectives;
  - (iii) employ all persons required for the Foundation's business, to define their salaries, benefits, remunerations and the rules and provisions related to their employment as well as the right to terminate their services;
  - (iv) sign memoranda of association in terms and conditions as it may deem fit;
  - (v) claim on behalf of the Foundation, to attach the properties of debtors, refer cases to arbitration, to appoint lawyers; and
  - (vi) take all legal proceedings for the protection of the Foundation's interests as plaintiff or defendant or as party to arbitration or otherwise.
- (d) Notwithstanding the preceding provisions of this section 2.2, the Council must not dispose of, mortgage or assign the property transferred to the Foundation by the Founder as its initial property.
- (e) The Council may accept further contributions to the Foundation from the Founder or any other persons, and must hold such property on such terms as may be agreed between the Foundation and the Founder or other contributor which terms must, if different from those set out in section 4 of these By-laws, be specified in an amendment to these By-laws.

**2.3 APPOINTMENT AND RETIREMENT OF MEMBERS OF THE COUNCIL**

- (a) The Founder must appoint the first members of the Council and the Chairman at the time of

the establishment of the Foundation, and if the number of members of the Council falls below two, must appoint replacement Councillors so that there are at least two Councillors.

- (b) Subject to the preceding clause, additional members of the Council may be appointed by the Council of the Foundation by an ordinary resolution passed by the majority of existing Council members with the consent in writing of each Founder during their lifetime or its existence or, if the Founder(s) is/are no longer alive or in existence, the Guardian.
- (c) Any vacancy in the position of Chairman must be filled by election conducted by the members of the Council in such manner as they must determine.

#### 2.4 DISQUALIFICATION AND REMOVAL OF MEMBERS OF THE COUNCIL

The office of a member of the Council is automatically vacated if the member:

- (i) is prohibited by the Regulations from being a member of the Council;
- (ii) becomes bankrupt;
- (iii) is, by virtue of any disability, incapable of fulfilling the functions or duties required by the office;
- (iv) without permission, does not attend three successive meetings of the Council;
- (v) resigns his or her office by notice to the Foundation;
- (vi) is removed by the Founder(s); or
- (vii) is removed by the Court pursuant to section 44(1) of the Regulations.

#### 2.5 REMUNERATION AND EXPENSES OF MEMBERS OF THE COUNCIL

The members of the Council must receive such remuneration as the Council with the approval in writing of the Founder or, if there is no Founder living or in existence, the Guardian (if any) determines by resolution and must receive payment of all expenses incurred in association with the carrying out of their duties as members of the Council.

#### 2.6 MEETINGS OF THE COUNCIL

- (a) Any member of the Council may call a meeting of the Council.
- (b) Subject to the Regulations, a meeting of the Council must be called by at least 14 days' notice to all the Council members.
- (c) Such notice of meeting must specify the time and place of the meeting and the general nature of the matters to be considered.
- (d) The members of the Council may unanimously waive notice of any meeting.
- (e) The proceedings of a meeting are not invalid solely because of the inadvertent failure to give notice of the meeting to, or the failure to receive notice of a meeting by any person entitled to receive such notice.

#### 2.7 PROCEEDINGS OF THE COUNCIL

- (a) Subject to the provisions of these By-laws, members of the Council may regulate their proceedings as they think fit.
- (b) No meeting must take place unless a quorum is present. The majority of persons entitled to vote must constitute a quorum.
- (c) If a quorum is not present, the meeting must be adjourned to a place and time determined by the Chairman. If during the meeting a quorum ceases to be present the meeting must be adjourned to a place and time determined by the members of the Council who are present.
- (d) The Chairman must chair the meeting. If the Chairman is not present or willing to act within fifteen minutes of the stated time for commencement of the meeting, and in the absence of a nominee, another member of the Council elected by the rest of the Council present must

chair the meeting.

- (e) The Chairman may adjourn the meeting with the consent of the majority of the votes at the meeting. No matters must be considered at an adjourned meeting other than matters that might have been considered at the meeting had the adjournment not taken place. It is not necessary to give notice of the adjourned meeting unless the meeting was adjourned for fourteen days or more, in which case at least seven days' notice must be given specifying the time and place of the adjourned meeting and the general nature of the matters to be considered.
- (f) Any matters arising at a meeting must be decided by a majority of votes with the Chairman having a second or casting vote in the case of equality of votes.
- (g) The quorum for the transaction of the business of the Council must be two or any other number fixed by the Council.
- (h) All acts done by a meeting of the Council, or of a committee of Council, or by a person acting as a member of the Council must be valid, notwithstanding any defect in his appointment or his disqualification from holding office, or that he was not entitled to vote, being discovered afterwards.
- (i) A resolution in writing signed by all the Council entitled to receive notice of the meeting must be as valid and effectual as if it had been passed at a meeting of the Council. The resolution may consist of several documents in the like form each signed by one or more members of the Council.
- (j) A member of the Council must not vote at a meeting on any resolution concerning a matter in which he has a direct or indirect conflict of interest. For the purposes of this clause, an interest of a member of the Council includes an interest of any person who is connected to the member of the Council.
- (k) A member of the Council must not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
- (l) The Foundation may by resolution suspend or relax any provision of these By-laws prohibiting a member of the Council from voting at a meeting.
- (m) The chairman of the meeting must rule on any question arising at a meeting on the right of a member of the Council, other than himself, to vote and his ruling must be final and conclusive.
- (n) No objection may be raised to the right of any member of the Council to vote except at the meeting at which the voter is to vote.

## 2.8 MINUTES

The Council must cause minutes to be kept for recording:

- (i) all appointments of officers made by the Council; and
- (ii) all proceedings at meetings of the Council, and of committees of Council, including the names of the Council present at each such meeting.

## 3. FOUNDER AND OTHER OFFICERS AND PERSONNEL

### 3.1 THE FOUNDER

The Founder must have the following powers exercisable in accordance with section 22(2) of the Regulations (but subject to section 16(10) of the Regulations, if applicable):

- (a) power to amend, revoke or vary the terms of the Charter or these By-laws, or both of them, in whole or in part;
- (b) power to remove any member of the Council and appoint a replacement member of the Council in his/her place;
- (c) power to remove any Guardian and appoint a replacement Guardian in the place of the former



Guardian; and

- (d) power to terminate the Foundation.

### 3.2 SECRETARY

Subject to the Regulations, the Council may (but need not) appoint and remove a secretary and must decide on the terms, remuneration and conditions of appointment.

### 3.3 THE GUARDIAN

- (a) The Guardian named in section 1 of the Charter must have the powers specified in section 20 of the Regulations. The following powers of the Council require the approval of the Guardian in accordance with section 20(10) of the Regulations if the Founder is not then living:
- (i) the making of any application of property of the Foundation; and
  - (ii) the appointment of further members of the Council of the Foundation pursuant to section 2.3(b) of these By-laws.
- (b) The office of Guardian is automatically vacated if the Guardian:
- (i) is prohibited by the Regulations from being the Guardian;
  - (ii) becomes bankrupt or insolvent;
  - (iii) resigns the office of Guardian by notice to the Foundation provided that a replacement Guardian will be appointed to take office as and from the date of such resignation;
  - (iv) is removed by the Founder; or
  - (v) is removed by the Court pursuant to section 44(1) of the Regulations.

## 4. FOUNDATION PROPERTY AND INCOME

- 4.1 The assets and property of the Foundation must be under the control of the Council. The Council may subject to the approval of the Founder (if living) or the Guardian (if the Founder is not living):
- (a) determine how the property of the Foundation is applied or distributed to or, in case of several, amongst the Qualified Recipient(s);
  - (b) determine whether or not the net income of the Foundation in any year must be distributed to or, in case of several, amongst the Qualified Recipient(s);
  - (c) subject to the Charter, add or remove a person or class of persons as Qualified Recipients or provide for the exclusion from the category of Qualified Recipient of a person or class of persons, either revocably or irrevocably.
- 4.2 In each year the Council of the Foundation must determine the net income of the Foundation after taking into account all the expenses of the Foundation for that year.
- 4.3 Upon the termination (winding up or dissolution) of the Foundation, the whole of the property then held by the Foundation must be applied, after discharge of any outstanding liabilities of the Foundation, [*as specified in the application*].
- 4.4 In the exercise of its powers and functions under this section, the Council:
- (a) may invite or call for applications from Qualified Recipient(s) in whatever manner it may prescribe;
  - (b) may act on its own motion in respect of any Qualified Recipient which has not submitted an application; and
  - (c) may rely upon assessments of applications by employees or others engaged by the Foundation.

## **5. AMENDMENT OF THESE BY-LAWS**

Subject to section 6 of the Charter and sections 16(11) and 22(2) of the Regulations, these By-laws may be amended by:

- (a) the Founder (if living or in existence) at any time by notice in writing to the Foundation containing the terms of the amendment to the By-laws;
- (b) at any time when the Founder is not living or in existence, by the Council if its members are unanimous and have the consent of the Guardian; or
- (c) by the Court pursuant to section 40 of the Regulations.

## **6. DECLARATION**

*Each Founder by signing these By-laws declares that it/he/she requests the Council to comply with the terms of these By-laws.*

**Annex 4**  
**to the Consultation Paper**  
**on the Proposed Enhancement of the AIFC Legal Entities Framework**

**SCHEDULE 3: STANDARD PARTNERSHIP AGREEMENT FOR GENERAL PARTNERSHIPS**

This General Partnership Agreement (the “**Agreement**”) is dated *[as specified in the application]*.

The parties to the Agreement are the Partners *[as specified in the application]*.

**BACKGROUND**

The Partners have agreed to enter into this Agreement to set out the basis on which the general partnership with the name *[as specified in the application]* (the “**Partnership**”) is to be organised and their respective rights and obligations as Partners.

**Agreed terms**

**1. Interpretation**

1.1 The following definitions and rules of interpretation apply in this Agreement.

**AIFC Acts** means acts adopted by the AIFC Bodies.

**Partner** means every Person who has entered into this Agreement and is registered as partner of the Partnership.

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

**Writing** means 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.

1.2 Terms used in this Agreement have the same meanings as they have, from time to time, in the AIFC Acts, unless the contrary intention appears. Section and article headings must not affect the interpretation of this Agreement.

1.3 Unless the Agreement otherwise requires, words in the singular include the plural and words in the plural include the singular.

1.4 Unless the Agreement otherwise requires, words indicating gender include every other gender.

**2. Partnership name and place of business**

2.1 The name of the Partnership is *[as specified in the application]*.

2.2 The registered office of the Partnership is situated in the Astana International Financial Centre, Nur-Sultan, Republic of Kazakhstan, at the address provided in the public register.

### **3. Commencement and duration**

The provisions of this Agreement are deemed to have taken effect from the date the Partnership is registered as a general partnership in the AIFC and must continue on the terms of this Agreement until the date *[as specified in the application]* or dissolved in accordance with article 14.

### **4. Nature of the business**

The Partnership will carry on business the details of which are *[as specified in the application]*.

### **5. Capital**

5.1 The capital of the Partnership is *[as specified in the application]*.

5.2 The capital of the Partnership belongs to the Partners in the proportions *[as specified in the application]*.

### **6. Accounts**

6.1 The Partners must ensure that the Partnership's accounts are prepared in relation to each financial year of the Partnership and that the accounts comply with the requirements of the AIFC Acts.

6.2 Within 6 months after the end of the 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.

### **7. Financial year**

The Partnership's financial year is *[as specified in the application]*.

### **8. Profit Sharing Ratio**

The profit sharing ratio of the Partners will be in proportion to their contribution to the capital of the Partnership *[as specified in the application]*.

### **9. Capital and current accounts**

9.1 Each Partner must have a capital account, to which their respective capital contributions must be credited. In addition, there must be credited to their capital accounts any further capital contributions made by them, any amounts in respect of a revaluation of assets and their respective share of any capital profits. There must be debited to their capital accounts the amount of any repayment of capital to them and their respective share of any capital loss.

9.2 Each Partner must have a current account, to which must be credited any profit share to which each is entitled and any other sums of a current nature, and to which must be debited any drawings.

## **10. Partnership Property**

10.1 All Partnership property must be held and applied by the Partners exclusively for the purposes of the Partnership and in accordance with this Agreement.

10.2 All Partnership property must be held jointly and severally.

## **11. Liability of Partners and Partnership**

11.1 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.

11.2 The 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.

## **12. Management**

12.1 Every Partner must take part in the management of the Partnership business, purpose or activity.

12.2 Any difference arising about ordinary matters connected with the Partnership business, purpose and activity will be decided by a majority of the Partners.

12.3 The following matters require the consent of all of the Partners of the Partnership:

- (a) change in the nature of the Partnership business, purpose or activity;
- (b) change of the Partnership's name;
- (c) any alternation of this Agreement;
- (d) admission of a new Partner; and
- (e) expulsion of any Partner.

## **13. Meetings and decision making**

13.1 Meetings of the Partners of the Partnership must be held at least 1 time every financial year of the Partnership, and may be held at any such time and at any such intervals as may be deemed fit by all the Partners of the Partnership.

13.2 Not less than 21 clear days' notice is to be given of a meeting to all those entitled to attend, provided that valid shorter notice is deemed to have been given if all Partners attend the meeting or if it is ratified by the Partners at a subsequent duly convened meeting.

13.3 Such notice must specify the place, day and time of the meeting and a statement of the matters to be discussed at the meeting.

- 13.4 At the commencement of any meeting, those in attendance must elect the chairperson of the meeting.
- 13.5 Simple majority of the Partners present in person or by video or telephone conference call or by proxy (which must mean another Partner appointed in writing to attend and vote on behalf of the appointing Partner) must be a quorum for a meeting of the Partners of the Partnership.
- 13.6 The Partners of the Partnership must ensure that all decisions taken by them in meetings are recorded in the minutes and are kept and maintained at the registered office of the Partnership as provided in section 2.2 of this Agreement.

## **14. Dissolution**

- 14.1 The Partnership may be dissolved by any Partner giving Written notice to the others of the Partner's intention to dissolve the Partnership unless it is entered into for a defined time and for a fixed venture or undertaking.
- 14.2 The 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.
- 14.3 The Partnership may be dissolved in other cases as prescribed by the AIFC Acts.
- 14.4 After the dissolution, 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.

## **15. Entire agreement**

- 15.1 This Agreement constitutes the entire agreement between the Partners and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.
- 15.2 Each party acknowledges that, in entering into this Agreement it does not rely on, and must have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement.
- 15.3 No party must have a claim for innocent or negligent misrepresentation (or negligent misstatement) based upon any statement in this Agreement.
- 15.4 Nothing in this clause must limit or exclude any liability for fraud.

## **16. Notices**

- 16.1 Any notice under this Agreement must be given in Writing and sent either:
- (a) personally; or

- (b) by sending it by post in a prepaid envelope addressed to the Partner at the Partner's registered address or by leaving it at that address; or
- (c) in electronic form to an address nominated by the Partner and such a notice is deemed as being delivered at the time it was sent; or
- (d) by any other means agreed between the Partners.

**17. Governing law and jurisdiction**

This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) must be governed by and construed in accordance with the Acting Law of the AIFC.

This Agreement has been entered into on the date stated at the beginning of it.

**Annex 5**  
**to the Consultation Paper**  
**on the Proposed Enhancement of the AIFC Legal Entities Framework**

**SCHEDULE 3: STANDARD PARTNERSHIP AGREEMENT FOR LIMITED PARTNERSHIPS**

This Limited Partnership Agreement (the “**Agreement**”) is dated *[as specified in the application]*.

The parties to the Agreement are General Partner(-s) and Limited Partner(-s) *[as specified in the application]*.

The General Partner(-s) and Limited Partner(-s) hereinafter collectively referred to as the Partners.

**BACKGROUND**

The Partners have agreed to enter into this Agreement to set out the basis on which the Limited Partnership with the name *[as specified in the application]* (the “**Partnership**”) is to be organised and their respective rights and obligations as Partners.

**Agreed terms**

**1. Interpretation**

1.1 The following definitions and rules of interpretation apply in this Agreement.

**AIFC Acts** means acts adopted by the AIFC Bodies.

**Exercise** a Function includes perform the Function.

**Function** includes authority, duty and power.

**Liability** includes any debt or obligation.

**Partner** means every Person who has entered into this Agreement and is registered as partner of the Partnership.

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

**Writing** means 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.

1.2 Terms used in this Agreement have the same meanings as they have, from time to time, in the AIFC Acts, unless the contrary intention appears. Section and article headings must not affect the interpretation of this Agreement.

1.3 Unless the Agreement otherwise requires, words in the singular include the plural and words in the plural include the singular.



1.4 Unless the Agreement otherwise requires, words indicating gender include every other gender.

## **2. Partnership name and place of business**

2.1 The name of the Partnership is *[as specified in the application]*.

2.2 The registered office of the Partnership is situated in the Astana International Financial Centre, Nur-Sultan, Republic of Kazakhstan, at the address provided in the public register.

## **3. Commencement and duration**

The provisions of this Agreement are deemed to have taken effect from the date the Partnership is registered as a limited partnership in the AIFC and must continue on the terms of this Agreement until the date *[as specified in the application]* or dissolved in accordance with article 16.

## **4. Nature of the business**

The Partnership will carry on business the details of which are *[as specified in the application]*.

## **5. Capital**

5.1 The capital of the Partnership is *[as specified in the application]*.

5.2 The capital of the Partnership belongs to the Partners in the proportions *[as specified in the application]*.

## **6. Accounts**

6.1 The General Partners must ensure that the Partnership's accounts are prepared in relation to each financial year of the Partnership and that the accounts comply with the requirements of the AIFC Acts.

6.2 Within 6 months after the end of the financial year, the accounts for the financial year must be:

- (a) prepared and approved by all the Partners; and
- (b) signed on their behalf by at least 1 of the Partners, one of whom must be a General Partner.

## **7. Financial year**

The Partnership's financial year is *[as specified in the application]*.

## **8. Profit Sharing Ratio**

The profit sharing ratio of the Partners will be in proportion to their contribution to the capital of the Partnership *[as specified in the application]*.

## **9. Capital and current accounts**

9.1 Each Partner must have a capital account, to which their respective capital contributions must be credited. In addition, there must be credited to their capital accounts any further capital contributions made by them, any amounts in respect of a revaluation of assets and their respective share of any capital profits. There must be debited to their capital accounts the amount of any repayment of capital to them and their respective share of any capital loss.

9.2 Each Partner must have a current account, to which must be credited any profit share to which each is entitled and any other sums of a current nature, and to which must be debited any drawings.

## **10. Partnership Property**

10.1 The Partnership property must be held and applied by the Partners exclusively for the purposes of the Partnership and in accordance with this Agreement.

10.2 The beneficial interest in all Partnership property is shared evenly between the Partners.

## **11. Management**

11.1 Every General Partner must take part in the management of the Partnership business, purpose or activity.

11.2 A Limited Partner must not take part in the conduct or management of the business, purpose or activity of the Partnership, and must not transact the business, purpose or activity of, sign or execute documents for, or otherwise bind, the Partnership.

## **12. General Partner**

12.1 The General Partner of the Partnership has all the rights and powers required to Exercise its Functions as a general partner subject only to the limitations and Liabilities applying to the Partner under the Agreement and the AIFC Acts.

12.2 Subject to the terms of this Agreement, the General Partner must:

- (a) show the utmost good faith to the other Partners in all transactions relating to the Partnership and give them a true account of, and full information about, all things affecting the Partnership;
- (b) use its best skills and endeavours to promote and carry on the Partnership's business for the benefit of the Partnership, and conduct itself in a proper and responsible manner;
- (c) ensure that it and the Partnership comply with the provisions of the AIFC Acts;
- (d) carry out the day-to-day operation of the Partnership's business and do all acts and things that it may in its absolute discretion consider necessary or desirable to carry out the purposes and objectives of the Partnership;

- (e) generally represent the Partnership in all matters, including the protection of the Partnership's assets;
- (f) file, register and publish all such notices, statements or other instruments as may be required under the AIFC Acts to be registered and published;
- (g) enter into, make and perform such contracts, agreements and other undertakings and sign, seal, endorse or execute any document for and on behalf of the Partnership and do all such other acts as it may deem necessary or advisable for, or as may be incidental to, the conduct of the Partnership's business;
- (h) generally communicate with the Partners and report to the Partners at such times as it thinks fit or as is required by this Agreement; and
- (i) do and perform any such other acts and things as are reasonably incidental to the above duties and execute all such documents and instruments in connection with them.

12.3 Without prejudice to **Ошибка! Закладка не определена.**12.2, the General Partner must Exercise all the Functions necessary for, and connected with, the conduct of the Partnership's business, purpose or activity, and must discharge all obligations imposed on a general partner, in the partner's capacity as a general partner of the Partnership or on the Partnership itself, unless otherwise provided under this Agreement, the AIFC Acts.

12.4 Any Liability incurred by the General Partner of the Partnership in the conduct of the Partnership's business, purpose or activity is a Liability of the Partnership.

12.5 Each General Partner of the Partnership is liable in the insolvency of the Partnership for all of the Partnership's Liabilities.

### **13. Limited Partner**

13.1 A Limited Partner has the same rights as a General Partner:

- (a) during business hours, to inspect and make copies of, or take extracts from, the Partnership's books and other Records; and
- (b) to be given, on request, true and full information of everything affecting the Partnership and to be given a formal account of the Partnership affairs whenever just and reasonable.

13.2 A Limited Partner is not entitled to dissolve the Partnership by notice.

13.3 A Limited Partner is not liable for the Partnership's Liabilities.

### **14. Meetings and decision making**

14.1 The General Partner must convene meetings of the Partnership at least 1 time every financial year of the Partnership and may, whenever it thinks fit, convene other meetings of the Partnership.

14.2 Every meeting of the Partners must be governed by the following provisions:

- (a) a meeting may be held at such time and place as the General Partner thinks fit;
- (b) the General Partner must serve a notice of meeting on all those entitled to attend the meeting and such notice must specify the place, day and time of the meeting and a statement of the matters to be discussed at the meeting;
- (c) the General Partner must give not less than 21 days' notice of a meeting to all those entitled to attend, except that valid shorter notice is deemed to have been given if all Partners attend the meeting or if it is ratified by the Partners at a subsequent duly convened meeting;
- (d) the quorum for a meeting must be the General Partner and each Limited Partner entitled to vote on any resolution to be put to that meeting present in person or by video or telephone conference call or by proxy (which must mean another Partner appointed in Writing to attend and vote on behalf of the appointing Partner);
- (e) the General Partner may count in the quorum and vote at a meeting on a resolution on a matter in which it has a direct or indirect interest or duty which is or may be material and which conflicts or may conflict with the Partnership's interests, if before such resolution is moved it discloses to the meeting the full nature and extent of its interest;
- (f) where the appropriate quorum is not present within 15 minutes of the start time stated in the notice of the meeting, any resolution passed at the inquorate meeting is deemed to have been passed if it is ratified later by the required majority in attendance at a duly convened quorate meeting;
- (g) a meeting may be conducted by electronic means, such as via telephone or video conference. Partners participating in a meeting via electronic means must be deemed to be present in person at the meetings and must be entitled to be counted in the quorum and to vote; and
- (h) a Partner (being a body corporate) may by resolution of its directors or other governing body authorise persons to act as its representative at a meeting and any person so authorised must be entitled to exercise the same powers on behalf of the body corporate that he or she represents as that body corporate could exercise if it were an individual Partner.

14.3 At any meeting of the Partners a decision may be taken by a simple majority, except for the matters stated in article 15.

14.4 The General Partner must ensure that minutes must be prepared of all meetings and must be approved and signed by the General Partner as evidence of the proceedings and they are all kept and maintained at the registered office of the Partnership as provided in section 2.2 of this Agreement.

## **15. Matters requiring consent of all the Partners**

15.1 The General Partner must not, without the prior consent in Writing of all the Limited Partners:

- (a) do anything that restricts, in any way, the Partnership's ability to conduct its business, purpose or activity in accordance with this Agreement; or

- (b) use or dispose of any Partnership property, or any rights in the Partnership property, for a purpose other than those permitted under this Agreement, the AIFC Acts, unless immediate action is required in the best interest of all the Partners.

## **16. Dissolution**

- 16.1 Subject to the AIFC Acts, the Partnership must not be dissolved by an act of the Partners until a statement of dissolution signed by all the General Partners has been delivered by a General Partner to the Registrar of Companies.
- 16.2 The Partnership may be dissolved in other cases as prescribed by the AIFC Acts.

## **17. Entire agreement**

- 17.1 This Agreement constitutes the entire agreement between the Parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether in Writing or orally, relating to its subject matter.
- 17.2 The Agreement is binding on the initial partners and their assigns, and on subsequent partners and their assigns, in the same way as if they had all executed the Agreement.
- 17.3 All amendments to the Agreement must be done in Writing and must be binding in the way mentioned in section 11.2.
- 17.4 Each party acknowledges that, in entering into this Agreement it does not rely on, and must have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement.
- 17.5 No party must have a claim for innocent or negligent misrepresentation (or negligent misstatement) based upon any statement in this Agreement.
- 17.6 Nothing in this clause must limit or exclude any liability for fraud.

## **18. Notices**

- 18.1 Any notice under this Agreement must be given in Writing and sent either:
  - (a) personally; or
  - (b) by sending it by post in a prepaid envelope addressed to the Partner at the Partner's registered address or by leaving it at that address; or
  - (c) in electronic form to an address nominated by the Partner and such a notice is deemed as being delivered at the time it was sent; or
  - (d) by any other means agreed between the Partners.

**19. Governing law and jurisdiction**

This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) must be governed by and construed in accordance with the Acting Law of the AIFC.

This Agreement has been entered into on the date stated at the beginning of it.

**Annex 6**  
**to the Consultation Paper**  
**on the Proposed Enhancement of the AIFC Legal Entities Framework**

**SCHEDULE 3: STANDARD PARTNERSHIP AGREEMENT FOR LIMITED LIABILITY PARTNERSHIPS**

This Limited Liability Partnership Agreement (the “**Agreement**”) is dated *[as specified in the application]*.

The parties to the Agreement are the Members *[as specified in the application]*.

A Designated Member(-s) is/are *[as specified in the application]*.

**BACKGROUND**

The Members have agreed to enter into this Agreement to set out the basis on which the Limited Liability Partnership with the name *[as specified in the application]* (the “**Partnership**”) is to be organised and their respective rights and obligations as Members.

**Agreed terms**

**1. Interpretation**

1.1 The following definitions and rules of interpretation apply in this Agreement.

**AIFC Acts** means Acts adopted by the AIFC Bodies.

**Auditor** means auditors who are appointed in accordance with this Agreement.

**Members** means members and/or such other or additional persons as may from time to time be appointed in accordance with this Agreement whose membership of the Partnership has not been determined in accordance with the Agreement.

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

**Registrar of Companies** means the Office of the Registrar of Companies of the AFSA including the individual who is appointed the Registrar of Companies for the time being.

**Writing** means 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.

1.2 Terms used in this Agreement have the same meanings as they have, from time to time, in the AIFC Acts, unless the contrary intention appears. Section and paragraph headings must not affect the interpretation of this Agreement.

- 1.3 Unless the Agreement otherwise requires, words in the singular include the plural and words in the plural include the singular.
- 1.4 Unless the Agreement otherwise requires, words indicating gender include every other gender.

## **2. Partnership name and place of business**

- 2.1 The name of the Partnership is *[as specified in the application]*.
- 2.2 The registered office of the Partnership is situated in the Astana International Financial Centre, Nur-Sultan, Republic of Kazakhstan, at the address provided in the public register.

## **3. Commencement and duration**

The provisions of this Agreement are deemed to have taken effect from the date the Partnership is registered as a limited liability partnership in the AIFC and must continue on the terms of this Agreement until the date *[as specified in the application]* or wound up in accordance with article 14.

## **4. Nature of the business**

The Partnership will carry on business the details of which are *[as specified in the application]*.

## **5. Capital**

- 5.1 The capital of the Partnership is *[as specified in the application]*.
- 5.2 The capital of the Partnership belongs to the Members in the proportions *[as specified in the application]*.

## **6. Accounts**

- 6.1 The Members must ensure that the Partnership's accounts are prepared in relation to each financial year of the Partnership and that the accounts comply with the requirements of the AIFC Acts.
- 6.2 Within 6 months after the end of the financial year, the accounts for the financial year must be:
- (a) prepared and approved by all the Members; and
  - (b) signed on their behalf by at least 1 of the Members; and
  - (c) examined and reported on by an Auditor.



## **7. Financial Year**

The Partnership's financial year is *[as specified in the application]*.

## **8. Profit Sharing Ratio**

The profit sharing ratio of the Members will be in proportion to their capital of the Partnership *[as specified in the application]*.

## **9. Capital and current accounts**

9.1 Each Member must have a capital account, to which their respective capital contributions must be credited. In addition, there must be credited to their capital accounts any further capital contributions made by them, any amounts in respect of a revaluation of assets and their respective share of any capital profits. There must be debited to their capital accounts the amount of any repayment of capital to them and their respective share of any capital loss.

9.2 Each Member must have a current account, to which must be credited any profit share to which each is entitled and any other sums of a current nature, and to which must be debited any drawings.

## **10. Partnership Property**

10.1 All property held or created by the Partnership for the purposes of carrying on the business and which has been paid for by the Partnership or contributed to the Partnership by any Member or has otherwise accrued to the Partnership, is owned by the Partnership absolutely and the Members have no individual rights in that property other than by their entitlement to such capital distributions as may be due to them under this Agreement or following liquidation of the Partnership.

## **11. Members**

11.1 A Person may become a Member of the Partnership with the agreement of the existing Members.

11.2 A Person may cease to be a Member of the Partnership (as well as by death or dissolution) with the agreement of the other Members or, in the absence of agreement with the other Members, by giving reasonable notice to the other Members.

11.3 No majority of Members can expel any Member unless a power to do so has been given by express agreement between the Members.

## **12. Designated Members**

12.1 The Members must design who and how many Members must be considered as Designated Members of the Partnership.

12.2 A Designated Member may cease to be a Designated Member with the agreement of the other Members.

- 12.3 There must, at all times, be at least 1 Designated Member and, if at any time no member is appointed as a Designated Member, every member is taken to be a Designated Member.
- 12.4 The Designated Members must be responsible for ensuring compliance with all registration and other requirements of the AIFC Acts, including, but not limited to:
- (a) notifying any change in the Members, including Designated Members, or their names and address to the Registrar of Companies;
  - (b) notifying any change in the Partnership's name or registered office to the Registrar of Companies;
  - (c) signing the annual accounts of the Partnership and filing them with the Registrar of Companies.

### **13. Meetings and decision making**

- 13.1 Meetings of the Members of the Partnership must be held at least 1 time every financial year of the Partnership, and may be held at any such time and at any such intervals as may be deemed fit by all the Members of the Partnership.
- 13.2 Not less than 21 clear days' notice is to be given of a meeting to all those entitled to attend, provided that valid shorter notice is deemed to have been given if all Members attend the meeting or if it is ratified by the Members at a subsequent duly convened meeting.
- 13.3 Such notice must specify the place, day and time of the meeting and a statement of the matters to be discussed at the meeting.
- 13.4 At the commencement of any meeting, those in attendance must elect the chairperson of the meeting.
- 13.5 Simple majority of the Members present in person or by video or telephone conference call or by proxy (which must mean another Member appointed in writing to attend and vote on behalf of the appointing Member) must be a quorum for a meeting of the Members of the Partnership.
- 13.6 The Members must ensure that all decisions taken by them in meetings are recorded in the minutes and are kept and maintained at the registered office of the Partnership as provided in section 2.2 of this Agreement.

### **14. Winding up**

- 14.1 The Partnership can be wound up in the case of unanimous resolution of all the Members of the Partnership or in other cases as prescribed by the AIFC Acts.
- 14.2 In case of the winding up of the Partnership the contribution to the assets of the Partnership, which has been already wound up is not allowed. Any Person who continues such contribution must be liable.

## **15. Entire agreement**

- 15.1 This Agreement constitutes the entire agreement between the Parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.
- 15.2 Each party acknowledges that, in entering into this Agreement it does not rely on, and must have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement.
- 15.3 No party must have a claim for innocent or negligent misrepresentation (or negligent misstatement) based upon any statement in this Agreement.
- 15.4 Nothing in this clause must limit or exclude any liability for fraud.

## **16. Notices**

- 16.1 Any notice under this Agreement must be given in Writing and sent either:
- (a) personally; or
  - (b) by sending it by post in a prepaid envelope addressed to the Member at the Member's registered address or by leaving it at that address; or
  - (c) in electronic form to an address nominated by the Member and such a notice is deemed as being delivered at the time it was sent; or
  - (d) by any other means agreed between the Members.

## **17. Governing law and jurisdiction**

This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) must be governed by and construed in accordance with the Acting Law of the AIFC.

This Agreement has been entered into on the date stated at the beginning of it.