

# Legislative Alert

## Amendments to the legislation of the Republic of Kazakhstan on business partnerships

In this issue we would like to draw your attention to the recent amendments to the legislation on business partnerships (the "Partnerships") establishing new requirements in relation to charters of Partnerships, and amending the procedures for inheritance and sale of participation shares in limited liability partnerships.

### Amendments to the legislation on Partnerships

On 25 March 2011 the President signed *Law of the Republic of Kazakhstan No. 421-І On Amendments to Certain Legislative Acts for Improvement of the Civil Legislation*, which came into effect from 17 April 2011. The law amended certain legislative acts of the Republic of Kazakhstan, including *Law of the Republic of Kazakhstan No. 220-І of 22 April 1998 On Limited and Additional Liability Partnerships* and *Law of the Republic of Kazakhstan No. 2255 of 2 May 1995 On Business Partnerships*.

Below we briefly outline the main amendments to the above laws.

#### 1. New requirement on the content of Partnerships' charters

In accordance with the amendments, Partnerships' charters should now contain the name of mass media used for publication of information on Partnership's activities. However, the legislation is silent on whether there is a list of mass media sources that must be used for these purposes, or whether there are any specific requirements for the information that should be published, etc. Thus, we have asked the Ministry of Justice to clarify these points.

Based on the Ministry's clarifications:

- ▶ Partnerships should publish information that does not constitute commercial secret under their foundation documents;
- ▶ "mass media" in this case means Kazakh official newspapers such as *Kazakhstanskaya Pravda*, *Yegemen Kazakhstan*, *Zan Gazety*;
- ▶ information on Partnerships' activities can be published in one or more mass media sources.

Moreover, according to the Ministry of Justice, there is no requirement for Partnerships registered prior to the the introduction of the above amendments to bring their charters into compliance with these amendments.

**2. Amendments to the procedure for inheritance of participation shares in limited liability partnerships**

Now a participant in a limited liability partnership may have an option either to transfer his/her participation shares to a heir or may envisage in the foundation documents another way of their disposal.

**3. Amendments to the procedure for sale of participation shares in limited liability partnerships**

In accordance with the amendments, the procedure for sale of participation shares in limited liability partnerships where the registrar of the participants is maintained by the registrar should be defined by the charter only (in the past this procedure was determined by both the legislation and charter).

## Contacts

We hope that you will find this overview helpful. For more detailed information, please contact the following specialists:

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