



## **AMENDMENTS No. 2**

# **AIFC NON-PROFIT INCORPORATED ORGANISATION RULES**

Approval Date: 27 December 2019

Commencement Date: 1 January 2020



## AIFC NON-PROFIT INCORPORATED ORGANISATIONS RULES

In this document, an underlining indicates new text and strikethrough indicates deleted text, unless otherwise indicated.

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### PART 2: INCORPORATED ORGANISATIONS

#### 2.1 Charter of Organisation

2.1.1 For section 13(4) of the AIFC Non-profit Incorporated Organisations Regulations, the provisions of Schedule 1 (Standard Charter) are the model provisions to be known as the Standard Charter.

2.1.2 ~~If the proposed Charter of Organisation accompanying an application for the incorporation of an Incorporated Organisation does not adopt the whole of the Standard Charter, the application must set out details of the parts of the Standard Charter that have not been adopted.~~ Unless the Standard Charter is adopted by the Incorporated Organisation in its entirety, the Charter, signed by or on behalf of each member, must be filed with the application.

2.1.3 The proposed Charter of Organisation accompanying an application for the incorporation of an Incorporated Organisation must include provision for the following matters:

- (a) the Authorised Activities to be conducted by the Incorporated Organisation;
- (b) the calling of meetings of the Founding Members by Founding Members;
- (c) the proceedings of meetings of the Founding Members, including voting;
- (d) information to be provided to Founding Members before a meeting of the Founding Members;
- (e) the maximum number of Founding Members;
- (f) the appointment and removal of Founding Members;
- (g) the Functions of Founding Members;
- (h) appointment of the secretary, if applicable;
- (i) the keeping of minutes.

2.1.4 An application for the incorporation of an Incorporated Organisation must state that the proposed Charter of the Incorporated Organisation accompanying the application has been adopted by the applicants.

#### 2.4. Incorporated Organisations names

2.4.1 A Person may apply to the Registrar of Companies for the reservation of a name for an Incorporated Organisation (or proposed Incorporated Organisation).

2.4.2 If the name is acceptable to the Registrar of Companies, the Registrar must reserve the name for 30 days.



## AIFC NON-PROFIT INCORPORATED ORGANISATIONS RULES

2.4.3 The following provisions apply to the name of an Incorporated Organisation or the reservation of a name for an Incorporated Organisation (or a proposed Incorporated Organisation):

- (a) the name must use letters of the English alphabet, numerals or other characters acceptable to the Registrar of Companies;
- (b) the name must not, in the opinion of the Registrar, be, or be reasonably likely to become, misleading, deceptive, conflicting with another name (including an existing name of a company or another Incorporated Organisation);
- (c) the name must not contain words that may suggest a relationship with the AIFCA, AFSA or any other governmental authority in the AIFC, Nur-Sultan or the Republic of Kazakhstan, unless the relevant authority has consented in Writing to the use of the name;
- (d) the name must not contain any of the following words unless the AFSA has consented in Writing to their use:
  - (i) the word 'bank', 'insurance' or 'trust';
  - (ii) words that suggest that the incorporated organisation is a bank, insurance company or trust company;
  - (iii) words that suggest in some other way that it is authorised to conduct Financial Services in the AIFC;
- (e) the name must not contain words that may suggest a connection with, or the patronage of, any Person or organisation, unless the Person or organisation has consented in Writing;
- (f) the name must not be, in the opinion of the Registrar, otherwise undesirable.

2.4.4 In this rule:

***Financial Services*** has the meaning given under the AIFC Financial Services Framework Regulations.

[2.4.5 An application for the reservation of a name for an Incorporated Organisation \(or proposed Incorporated Organisation\) must be accompanied by the prescribed fee set out in the Rules from time to time.](#)

## 2.8. Register of Founding Members and Ordinary Members

The register of Founding Members and Ordinary Members of an Incorporated Organisation maintained under section 25 (Register of members) of the AIFC Non-profit Incorporated Organisations Regulations must include the following particulars for each person who is or has been Founding Member or Ordinary Member, and be kept in alphabetical order of their names:

- (a) the member's full name;



## AIFC NON-PROFIT INCORPORATED ORGANISATIONS RULES

- (b) whether the member is a Founding Member or Ordinary Member;
- (c) if the member has a former given or family name—the former name or, if the member has 2 or more former names, each former name;
- (d) the member's date and place of birth or incorporation (registration), as the case may be;
- (e) the member's address;
- (f) if the member has had a former address within the last 5 years—the address;
- (g) the date the member become a Founding Member or Ordinary Member;
- (h) if relevant, the date the member ceased to be a Founding or Ordinary Member.

### SCHEDULE 1: STANDARD CHARTER

Note: See rule 2.1.1.

#### ***[insert name]* Incorporated Organisation**

#### 1. INTERPRETATION

In this Charter:

- a) unless the contrary intention appears:

**Board** means the governing body of the Incorporated Organisation.

**Chair** means the chair of the Board.

**Chief Executive Officer** means the chief executive officer of the Incorporated Organisation who is a natural person and has an Individual Identification Number, appointed by the Board from time to time.

**Founding Member**, of the Incorporated Organisation, means a ~~individual~~ Person:

- (a) who was:
  - (i) an applicant for the Incorporated Organisation's incorporation; or
  - (ii) appointed after its incorporation as a Founding Member by Special Resolution of the Founding Members; and
- (b) has not ceased to be a Founding Member under this Charter.

**General Meeting** means a meeting of the Founding Members.

**Individual Identification Number** means an unique number that is allocated to an individual by an authorised body.



## AIFC NON-PROFIT INCORPORATED ORGANISATIONS RULES

**Register of Members** means the register of Founding Members and Ordinary Members maintained by the Incorporated Organisation under section 25 of the Regulations.

**Office**, of the Incorporated Organisation, means the registered office of the Incorporated Organisation.

**Ordinary Member**, of the Incorporated Organisation, means a Person that has been accepted as an Ordinary member of the Incorporated Organisation.

**Ordinary Resolution**, of the ~~Founding Members Board of the Incorporated Organisation~~, means a resolution of a duly constituted meeting of the Incorporated Organisation's passed at a meeting of the Founding Members passed by the votes of the Founding Members entitled to vote and representing by a simple majority of the votes of the ~~members of the~~ Founding Members present at the meeting in person or, if proxy allowed, by proxy, at a meeting of the Board for which notice specifying the intention to propose the resolution was duly given. ~~and includes any resolution in Writing under clause 17.8 that is expressed to be an ordinary resolution~~

**Secretary** means the Person who is the Secretary of the Incorporated Organisation, and includes any other Person who is appointed to Exercise the Functions of the Secretary of the Incorporated Organisation, including a joint, assistant or deputy Secretary.

**Special Resolution**, of the Founding Members, means a resolution passed at a meeting of the Founding Members by the votes of at least 75% of the Founding Members present at the meeting in person or, if proxies are allowed, by proxy, provided that notice specifying the intention to propose the resolution as Special Resolution was duly given.

**the Regulations** means the AIFC Non-profit Incorporated Organisations Regulations and includes the AIFC Non-profit Incorporated Organisations Rules, as amended from time to time.

**this Charter** means this Charter of the Incorporated Organisation.

- b) terms used in this Charter have the same meanings as they have, from time to time, in the Regulations, or the relevant provisions of the Regulations, unless the contrary intention appears; ~~and~~
- c) words in the singular include the plural and words in the plural include the singular, unless the contrary intention appears; ~~and~~
- d) words indicating gender include every other gender, unless the contrary intention appears; ~~and~~
- e) the word **may**, or a similar term, used in relation to a Function indicates that the Function may be Exercised or not Exercised, at discretion; ~~and~~
- f) the word **must**, or a similar term, used in relation to a Function indicates that the Function is required to be Exercised; ~~and~~
- g) a reference to Regulations or Rules is a reference to Regulations or Rules of the



## AIFC NON-PROFIT INCORPORATED ORGANISATIONS RULES

Astana International Financial Centre and, unless the contrary intention appears, a reference to particular Regulations or Rules includes a reference to those Regulations or Rules as amended from time to time; ~~and~~

- h) where an Ordinary Resolution is expressed to be required for any purpose, a Special Resolution is also effective for that purpose.

### 2. INCORPORATED ORGANISATION NAME

The Incorporated Organisation's name is *[as specified in the application]*. ~~{insert name and, unless the words 'Non-profit Organisation' are part of the name, insert those words immediately after the name}.~~

### 3. INCORPORATED ORGANISATION PURPOSES AND RESTRICTIONS ~~INCORPORATED ORGANISATION REGISTERED OFFICE~~

~~The Office of the Incorporated Organisation must be in the Astana International Financial Centre.~~

3. The Authorised Activities of the Incorporated Organisation are: [as specified in the application].

- 3.1. The Incorporated Organisation must not distribute profits or revenues from its activities to its Founding Members or Ordinary Members or former Founding Members or Ordinary Members.

~~(a) [insert activities]; and  
(b) [insert activities].~~

- 3.2. The Incorporated Organisation must not distribute profits or revenues from its activities to its Founding Members or Ordinary Members or former Founding Members or Ordinary Members.

### 4. INCORPORATED ORGANISATION'S MEMBERSHIP

- 4.1. Subject to the Regulations and without affecting any rights, entitlements or restrictions attached to any existing membership, any membership may be issued with the rights, entitlements or restrictions that the Founding Members ~~Board of the Incorporated Organisation~~ determine by Ordinary Resolution.

- 4.2. The Incorporated Organisation must not have more than [as specified in the application] ~~[insert the maximum number]~~ of Founding Members at any time.

- 4.3. A ~~p~~Person must not be recognised by the Incorporated Organisation as a Founding Member or Ordinary Member unless the ~~p~~Person's name is entered in the ~~Members~~ Register of Members as a Founding Member or Ordinary Member, as the case may be.

### 5. ADMISSION OF NEW MEMBERS

- 5.1. After the incorporation of the Incorporated Organisation, Founding Members are appointed by Special Resolution of the Founding Members, and Ordinary Members are appointed by the Founding Members by any means the Founding Members consider appropriate.

- 5.2. The Incorporated Organisation may charge a ~~p~~Person a reasonable fee for the entry of the ~~p~~Person's name in the Register of Members.

- 5.3. A Person must not be appointed as a Founding Member, at a General Meeting, unless the Person has been recommended by a Founding Member or Ordinary Member; and details of the Person have been included in the notice of the meeting at which the



## AIFC NON-PROFIT INCORPORATED ORGANISATIONS RULES

appointment is to be considered. The details must include at least the information that would be included in the Register of Members, if the Person were to be appointed as a Founding Member.

### 6. PROCEEDINGS OF FOUNDING MEMBERS

6.2. Subject to any decision of a General Meeting, a resolution in Writing signed by all the Founding Members is as valid and effective as if it had been passed at a General Meeting. The resolution may consist of several Documents in ~~the~~ like form each signed by 1 or more Founding Members. However, this subclause does not apply to any decision (however described) required to be made by Special Resolution.

~~6.3. The Board may, by Ordinary Resolution, decide whether membership certificates are to be issued and, if so, the form of the certificates.~~

### 7. CEASING TO BE A MEMBER

7.1. A Person who is a Founding Member ceases to be a Founding Member if the Person:

(a) becomes bankrupt or insolvent, as the case may be; or

(b) is, in the opinion of the Founding Members, formed by Special Resolution, incapable (otherwise than on a temporary basis) of performing the duties of a Founding Member; or

(c) is absent, except on leave granted by the Founding Members, from 3 consecutive General Meetings; or;

(d) resigns by notice to the Incorporated Organisation; or

(e) is removed by Special Resolution of the Founding Members.

7.2. A Person who is an Ordinary Member ceased to be an Ordinary Member, if the Person is removed by a resolution of the Founding Members.

### 8. CALLING GENERAL MEETINGS

8.2. A General Meeting may be called by a Founding Member by giving the other Founding Members at least 7 ~~21~~ days Written notice of the meeting.

8.3. The notice must specify the time and place of the meeting and the general nature of the matters to be considered. If the Founding Member calling the meeting intends to propose a resolution at the meeting, the notice must specify the intention to propose the resolution and whether it is to be proposed as a Special Resolution or Ordinary Resolution.

### 9. PROCEEDINGS AT GENERAL MEETINGS

9.3. If a quorum is not present within half an hour after the time specified in the notice calling the meeting (the **meeting start time**), the meeting must be adjourned to a place and time decided by the Founding Members. If during the meeting a quorum ceases to be present, the meeting must be adjourned to a place and time decided by the Founding Members.

9.4. ~~The Chair of the Board of the Incorporated Organisation chairs the meeting. If the Chair of the Board is not present or willing to act within 15 minutes after the meeting start time,~~



## AIFC NON-PROFIT INCORPORATED ORGANISATIONS RULES

~~another~~ Founding Member elected by the Founding Members present chairs the meeting.

- 9.5. The Founding Member chairing the meeting (the **meeting chair**) may adjourn the meeting with the consent of the majority of the votes of the Founding Members present at the meeting. A matter must not be considered at the adjourned meeting if the matter could not have been considered at the meeting had the adjournment not taken place. It is not necessary for notice to be given of the adjourned meeting unless the meeting was adjourned for 14 days or longer. If the meeting was adjourned for 14 days or longer, at least 7 days notice of the adjourned meeting must be given to the Founding Members. The notice must specify the time and place of the adjourned meeting, the general nature of the matters to be considered at the adjourned meeting, and any resolutions of which notice has been given.
- 9.6. Unless a poll is demanded, a resolution put to the vote must be decided on a show of hands. A poll may be demanded, before or on the declaration of the result of a vote by show of hands:
- (a) by the meeting chair; or
  - (b) by at least 1 ~~2~~ Founding Members having the right to vote at the meeting.
- 9.7. Unless a poll is demanded, the meeting chair may declare that a resolution has been carried or lost by a particular majority. The entry in the minutes of the meeting of that declaration is conclusive evidence of the result of the resolution.
- 9.8. Any poll must be taken in the way the meeting chair directs and the result is the resolution of the meeting at which the poll was demanded.
- 9.9. A poll demanded on the election of a Founding Member to chair the meeting or on an adjournment must be taken immediately. A poll demanded on any other question must be taken as the meeting chair directs, but not more than 30 days after the day the poll is demanded. The demand for a poll does not prevent the continuation of the meeting for the transaction of any business other than the question on which the poll is demanded.
- 9.10. If a poll demanded at a meeting is not taken at the meeting, the Founding Members must be given at least 7 days Written notice of the time and place at which a poll is to be taken, unless the time and place is announced at the meeting.

## 10. VOTES OF FOUNDING MEMBERS

- 10.1. A Founding Member must not vote at a General Meeting or otherwise on any resolution concerning a matter in which the Founding Member has a direct or indirect conflict of interest, unless a General Meeting permits the Founding Member to vote on the resolution. For this subclause, an interest of a Founding Member includes an interest of any ~~p~~Person who is connected to the Founding Member.
- 10.2. An objection may only be raised at a General Meeting to the right of any Person to vote at the meeting or on a poll arising from the meeting. The Founding Member chairing the meeting (the **meeting chair**) must rule on the objection unless the objection relates to the meeting chair. The decision of the meeting chair is final.

## 11. THE BOARD

- 11.1. The Board consists of the Chair and ~~[insert number]~~ other members.





## AIFC NON-PROFIT INCORPORATED ORGANISATIONS RULES

- 11.2. ~~The Board must consist solely of Founding Members.~~
- 11.3. The Chair and other members of the Board are appointed by the Founding Members for the terms (if any) decided by the Founding Members by Ordinary Resolution.
- 11.4. A person who is the Chair or another member of the Board ceases to be the Chair or member of the Board if:
- (a) ~~— The person ceases to be a Founding member; or~~  
the person's term as the Chair or another member ends without the person being reappointed; or
  - (b) the person is, in the opinion of the Founding Members formed by Ordinary Special Resolution, incapable (otherwise than on a temporary basis) of performing the person's duties as the Chair or another member of the Board; or
  - (c) the person is absent, except on leave granted by the Board, from 3 consecutive meetings of the Board; or
  - (d) the person resigns as the Chair or another member of the Board by notice to the Incorporated Organisation; or
  - (e) the person is removed as the Chair or another member of the Board by Ordinary Special Resolution.
- ~~11.6. The Founding Members may appoint a Founding Member to act as the Chair of the Board during any period, or all periods, when:~~
- ~~(a) — there is a vacancy in the office of Chair of the Board; or~~
  - ~~(b) — the Chair is on leave of absence given by the Founding Members; or~~
  - ~~(c) — the Chair is unable, for any reason, to perform the duties of the office.~~
- ~~11.7. While a Founding Member is acting as the Chair of the Board:~~
- ~~(a) — the Founding Member has, subject to any limitations in the acting appointment, all the Functions of the Chair; and~~
  - ~~(b) — this Charter applies in relation to the Founding Member as if the Founding Member were the Chair.~~

## 12. ALTERNATE MEMBERS OF BOARD

- 12.1. ~~A Founding Member who is~~ The Chair or another member of the Board (the **appointor**) may appoint ~~any other Founding Member~~ any other person approved by the Founding Members (the **appointee**) to act as his alternate and may revoke the appointment at any time. The appointee may Exercise all the Functions of the appointor as a member of the Board (other than any Function of the Chair) but is not entitled to remuneration.

## 13. FUNCTION AND POWERS OF BOARD AND CHIEF EXECUTIVE OFFICER

- ~~13.1. The Incorporated Organisation must be managed by the Board. of the Incorporated Organisation~~
- 13.2. The Board may appoint a resident of the Republic of Kazakhstan to be the Incorporated



## AIFC NON-PROFIT INCORPORATED ORGANISATIONS RULES

Organisation's ~~agent~~ Chief Executive Officer.

- 13.3. The Board may delegate any of its Functions to a committee of Founding Members or to a duly appointed ~~agent~~ Chief Executive Officer.
- 13.4. The Board has power to do all things necessary or convenient to be done for, or in connection with, the conduct of the Incorporated Organisation's Authorised Activities, accountable to Founding Members. These powers include, but are not limited to, the following:
- (a) identifying strategic directions and/or objectives of the Incorporated Organisation and making strategic decisions affecting the future operation of the Incorporated Organisation;
  - (b) monitoring the Chief Executive Officer's performance against the Incorporated Organisation's strategy, objectives and ensuring any necessary corrective action is taken;
  - (c) overall management of the Incorporated Organisation's activities without interfering in day-to-day operations of the Incorporated Organisation;
  - (d) appointing and dismissing the Chief Executive Officer of the Incorporated Organisation;
  - (e) exercising, within the Incorporated Organisation's competence, other powers established by decisions of the Founding Members.
- 13.5. The Board may determine key responsibilities of the Chief Executive Officer in addition to the following:
- (a) to negotiate, sign and execute contracts, transactions, arrangements, and deals, of any kind or nature, with third parties in the name of the Incorporated Organisation, with the right to terminate and amend them as required from time to time;
  - (b) to open, close and manage bank accounts for the Incorporated Organisation, to carry out banking transactions on behalf of the Incorporated Organisation (including, for example, the right to issue, sign and endorse cheques, draw voucher letters of credit, make transfers, obtain loans with or without security, and obtain bank facilities, bank guarantees and bank performance bonds) and to complete and sign all applications and Documents necessary for the conduct of the Incorporated Organisation's Authorised Activities;
  - (c) to employ Persons required for the conduct of the Incorporated Organisation's Authorised Activities, and to decide their remuneration, benefits and the rules and provisions related to their employment, as well as the right to terminate their employment;
  - (d) to sign memoranda of association with the terms and conditions that it considers appropriate;
  - (e) to claim on behalf of the Incorporated Organisation, to attach the property



## AIFC NON-PROFIT INCORPORATED ORGANISATIONS RULES

of debtors, to refer cases to arbitration, and to appoint lawyers and take legal proceedings to protect the Incorporated Organisation's interests whether as plaintiff or defendant, as party to arbitration or otherwise.

### 14. PROCEEDINGS OF THE BOARD

- 14.1. Subject to this Charter, the Board ~~of the Incorporated Organisation~~ may conduct its proceedings (including its meetings) as it considers appropriate.

### 16. MINUTES

The Founding Members must ensure that minutes are kept recording the following:

- (a) all appointments of officers ~~(including agents appointed under clause 13.3)~~ made by the Board and the Founding Members;
- 17.3. A ~~p~~Person present, either in person or by proxy, at any meeting is taken to have received notice of the meeting.

### 18. REMUNERATION AND EXPENSES OF FOUNDING MEMBERS

A Founding Member is entitled to be paid the remuneration, and reimbursed the expenses, decided by the Founding Members by Ordinary ~~Special~~ Resolution.

### ~~21. INDEMNITY~~

~~The Incorporated Organisation must indemnify a Founding Member, officer or Auditor of the Incorporated Organisation in relation to any liability incurred in defending any proceeding in relation to the Incorporated Organisation~~

### 19. AMENDMENT OF THIS CHARTER

This Charter may ~~only~~ be amended by a Special Resolution. ~~of the Founding members~~