



AMENDMENTS No.1

AIFC NON-PROFIT INCORPORATED ORGANISATIONS REGULATIONS

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

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SCHEDULE 1: INTERPRETATION

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PART 1: GENERAL

1. Name

These Regulations are the [\[AIFC Non-profit Incorporated Organisations Regulations 2017.\]](#)

2. Date of enactment

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

3. Commencement

These Regulations commence on ~~1 January 2018~~.[\[***\]](#).

4. Legislative authority

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

5. Application of these Regulations

These Regulations apply within the jurisdiction of the AIFC.

6. Interpretation

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

7. Administration of these Regulations

These Regulations are administered by the Registrar of Companies.



PART 2: ACTIVITIES

8. Prohibition against conducting certain activities

- (1) A Person must not conduct activities as an Incorporated Organisation in or from the AIFC unless the Person is incorporated as an Incorporated Organisation and holds a Commercial Licence issued under the AIFC Companies Regulations.
- (2) Subsection (1) does not apply to a Person if the Person:
 - (a) is an exempt Person under the Rules; or
 - (b) is exempted from the requirement to hold a Commercial Licence by the Registrar of Companies.
- (3) Contravention of this section is punishable by a fine.

9. Authorised Activities of Incorporated Organisations

- (1) An Incorporated Organisation must not conduct an activity unless the activity is an Authorised Activity.
- (2) For these Regulations, Authorised Activities are the following:
 - (a) professional and financial services activities, except so far as the activities are activities declared by the Rules not to be authorised activities;
 - (b) activities related to the promotion and development of financial services, so far as the activities are approved at [the](#) discretion of the Registrar of Companies in relation to the Incorporated Organisation, a class of Incorporated Organisations or Incorporated Organisations generally;
 - (c) any activity (whether or not of a kind mentioned in paragraphs (a) and (b)) declared to be an authorised activity under the Rules.
- (3) However, Authorised Activities do not include activities contrary to public interest and public morals of the Republic of Kazakhstan.
- (4) Contravention of subsection (1) is punishable by a fine.

10. Restrictions on Incorporated Organisations

- (1) An Incorporated Organisation must not be formed to conduct activities for the purpose of commercial or financial gain for its Founding Members or Ordinary Members or former Founding Members or Ordinary Members.
- (2) An 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.
- (3) An Incorporated Organisation must ensure that the revenues generated from its



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activities are used only for the following purposes:

- (a) funding the Authorised Activities of the Incorporated Organisation;
 - (b) other purposes consistent with these Regulations that are approved by the Registrar of Companies.
- (4) Contravention of this section is punishable by a fine.

11. Nature of Incorporated Organisations etc.

- (1) An Incorporated Organisation is a body corporate with a legal personality separate from that of its Founding Members and Ordinary Members.
- (2) An Incorporated Organisation has the capacity, rights and privileges of a natural person.
- (3) An Incorporated Organisation is formed by being incorporated under Part 3 (Formation and registration).



PART 3: FORMATION AND REGISTRATION

12. Method of formation

- (1) Three or more individuals may apply for the incorporation of an Incorporated Organisation by signing, and filing with the Registrar of Companies, an application for incorporation in the accordance with the Rules.
- (2) The application must state the following:
 - (a) the proposed name of the Incorporated Organisation;
 - (b) the proposed address of the Incorporated Organisation's registered office;
 - (c) the Authorised Activities proposed to be conducted by the Incorporated Organisation;
 - (d) the full name, nationality, residency and address of each of the applicants;
 - (e) the other particulars (if any) required by the Registrar of Companies or the Rules.
- (3) The application must include, or be accompanied by, the following:
 - (a) a declaration signed by each of the applicants that the Incorporated Organisation will only conduct Authorised Activities;
 - (b) the proposed Charter of Organisation of the Incorporated Organisation.

13. Charter of Organisation

- (1) An Incorporated Organisation's Charter of Organisation must be in the English language and must be divided into paragraphs numbered consecutively.
- (2) An Incorporated Organisation's Charter of Organisation must be consistent with the Authorised Activities of the Incorporated Organisation and must contain the matters required by these Regulations and the Rules.
- (3) The Charter of Organisation may contain any other matters that the Founding Members wish to include in the Charter of Organisation. However, the Charter of Organisation must not contain a provision that is inconsistent with these Regulations or the Rules.
- (4) The Rules may prescribe model provisions to be known as the Standard Charter.
- (5) An Incorporated Organisation may adopt, as its Charter of Organisation, the whole or any part of the Standard Charter that is relevant to the Incorporated Organisation.
- (6) If the Standard Charter is not adopted in its entirety, the Registrar of



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Companies may object to any amendment of the Standard Charter if the amendment is inconsistent with the Authorised Activities of the Incorporated Organisation or because of the amendment a provision of the Charter of Organisation would be inconsistent with these Regulations or the Rules.

- (7) An Incorporated Organisation may amend its Charter of Organisation by Special Resolution of the Founding Members.
- (8) Every amendment of the Charter of Organisation must be submitted to the Registrar of Companies for approval before the amendment takes effect.
- (9) The Incorporated Organisation must submit an updated Charter of Organisation to the Registrar of Companies if the amendment is approved by the Registrar.

14. Decision on incorporation application etc.

- (1) The Registrar of Companies may refuse to incorporate an Incorporated Organisation for any reason the Registrar considers to be a proper reason for refusing to incorporate the Incorporated Organisation.
- (2) If the Registrar of Companies incorporates an Incorporated Organisation, the Registrar must register the Charter of Organisation that accompanied the application for incorporation.

15. Effects of incorporation etc.

- (1) On the incorporation of an Incorporated Organisation and registration of its the Charter of Organisation, the Registrar of Companies must:
 - (a) issue a certificate of incorporation confirming that the Incorporated Organisation is incorporated and stating that the Incorporated Organisation is a 'Non-profit Incorporated Organisation'; and
 - (b) assign a number to the Incorporated Organisation, which is to be the Incorporated Organisation's identification number; and
 - (c) enter the name of the Incorporated Organisation in the appropriate Register of Incorporated Organisations kept by the Registrar; and
 - (d) issue a Commercial Licence to the Incorporated Organisation under the AIFC Companies Regulations.
- (2) On the date of incorporation mentioned in the certificate of incorporation:
 - (a) the applicants for incorporation become the initial Founding Members of the Incorporated Organisation; and
 - (b) the Incorporated Organisation, having the name contained in the certificate of incorporation, becomes a body corporate, capable of Exercising all the Functions of a body corporate.



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- (3) A certificate of incorporation issued by the Registrar of Companies for an Incorporated Organisation is conclusive evidence of the following matters:
 - (a) that the Incorporated Organisation has been duly incorporated;
 - (b) that the Incorporated Organisation is an Incorporated Organisation;
 - (c) that the requirements of these Regulations and the Rules have been complied with in respect of the incorporation of the Incorporated Organisation.
- (4) Without limiting subsection (1)(a), the Registrar of Companies may make alternative arrangements relating to the issue of certificates of incorporation to Incorporated Organisations in circumstances prescribed by the Rules.

16. Registered office and conduct of activities

- (1) An Incorporated Organisation must, at all times, have a registered office in the AIFC to which all communications and notices to the Incorporated Organisation may be addressed.
- (2) A Document may be given to or served on (however described) the Incorporated Organisation by leaving it at, or sending it by post to, the registered office of the Incorporated Organisation in the AIFC.
- (3) An Incorporated Organisation must conduct its activities in or from the AIFC.
- (4) Contravention of subsection (1) or (3) is punishable by a fine.

17. Particulars in communications

- (1) An Incorporated Organisation must ensure that its name, and the address of its registered office, appear in legible characters in all of its instruments, invoices, letterheads, order forms, receipts, statements of account, correspondence, publications and other communications, including any communications in electronic form.
- (2) Contravention of this section is punishable by a fine.

18. Name of Incorporated Organisation

- (1) The name of an Incorporated Organisation must appear in legible characters on the common seal of the Incorporated Organisation.
- (2) An Incorporated Organisation must use only its registered name and must ensure that, whenever it uses its name, its name is immediately followed by the words 'Non-profit Organisation' unless those words are part of its name.
- (3) Contravention of this section is punishable by a fine.



19. Change of name

- (1) An Incorporated Organisation must not change its name otherwise than by Special Resolution of the Founding Members and must not change the name to a name that is not acceptable to the Registrar of Companies.
- (2) If an Incorporated Organisation changes its name under this section, the Registrar of Companies must register the new name in place of the former name, and must issue a certificate of name change showing the former and new names of the Incorporated Organisation.
- (3) The change of name takes effect on the day the Registrar of Companies issues the certificate of name change.
- (4) The change of name does not:
 - (a) affect any rights or obligations of the Incorporated Organisation; or
 - (b) render defective any legal proceedings by or against it.
- (5) Any legal proceedings that could have been commenced or continued against the Incorporated Organisation under its former name may be commenced or continued against it under its new name.
- (6) If an Incorporated Organisation changes its name under this section, it must amend its Charter of Organisation to reflect the change within 30 days after the day the Registrar of Companies issues the certificate of name change or, if the Registrar allows a longer period, the longer period.
- (7) If, in the opinion of the Registrar of Companies, the name by which an Incorporated Organisation is registered is, has become, or is reasonably likely to become, misleading, deceptive, conflicting with another name (including an existing name of a company or another Incorporated Organisation), or otherwise undesirable, the Registrar may direct the Incorporated Organisation to change it.
- (8) The Registrar of Companies must comply with the Decision-making Procedures in deciding whether to give a direction under subsection (7).
- (9) The Incorporated Organisation must comply with a direction given to it by the Registrar of Companies under subsection (7) within 30 days after the date specified in the direction unless the Registrar allows a longer period to comply with the direction.
- (10) Contravention of subsection (1), (6) or (9) is punishable by a fine.



PART 4: FINANCIAL RESOURCES, ACCOUNTS AND AUDIT

20. Financial resources

The financial resources of an Incorporated Organisation may consist of the following:

- (a) fees collected by the Incorporated Organisation for services provided to the Founding Members or Ordinary Members;
- (b) grants and donations received by the Incorporated Organisation and accepted by its Board;
- (c) any other resources approved by its Board in accordance with these Regulations and the Rules.

21. Accounting Records of Incorporated Organisations

- (1) An Incorporated Organisation must keep Accounting Records that are sufficient to show and explain its transactions so as to:
 - (a) disclose with reasonable accuracy the financial position of the Incorporated Organisation at any time; and
 - (b) enable the Founding Members and the Board to ensure that any accounts prepared by the Incorporated Organisation under this Part comply with the requirements of these Regulations and the Rules.
- (2) An Incorporated Organisation must ensure that its Accounting Records are:
 - (a) kept at the place in the AIFC that the Founding Members consider appropriate, except so far as the Rules otherwise require; and
 - (b) preserved by the Incorporated Organisation for at least 6 years after the day they are created or, if the Rules prescribe another period, the other period; and
 - (c) open to inspection by a Founding Member at all reasonable times; and
 - (d) otherwise kept and maintained as may be prescribed by the Rules.

(3) If an Incorporated Organisation, for whatever reason, ceases to exist or ceases to be an Incorporated Organisation within the meaning of these Regulations, the Founding Members immediately before the Incorporated Organisation ceases to exist or ceases to be a Incorporated Organisation shall ensure that its Accounting Records are preserved for at least 6 years after the date of such cessation.

~~(3)~~(4) Contravention of this section is punishable by a fine.

22. Accounts

- (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



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year and that the accounts comply with the requirements of this section.

- (2) The accounts must:
 - (a) be prepared in accordance with accounting principles or standards prescribed by the Rules or otherwise approved by the Registrar of Companies; and
 - (b) show a true and fair view of the financial position of the Incorporated Organisation; and
 - (c) comply with any other requirements of these Regulations and the Rules.
- (3) The Founding Members must approve the Incorporated Organisation's accounts and must ensure that they are signed on their behalf by at least 2 of them.
- (4) The accounts must be examined and reported on by an Auditor.
- (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.
- (6) Contravention of this section is punishable by a fine.



PART 5: FOUNDING MEMBERS AND ORDINARY MEMBERS

23. Founding Members and Ordinary Members

- (1) An Incorporated Organisation must have Founding Members and may have Ordinary Members.
- (2) The Charter of Organisation of an Incorporated Organisation must define who may become a Founding Member or an Ordinary Member of the Incorporated Organisation.
- (3) The initial Founding Members are the Persons who applied for the incorporation of the Incorporated Organisation.
- (4) After the incorporation of the Incorporated Organisation, Founding Members are appointed by Special Resolution of the Founding Members
- (5) The Founding Members of an Incorporated Organisation must, in Exercising their Functions, act honestly, in good faith and in the best interest of the Incorporated Organisation and must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- (6) A person may not be a Founding Member and an Ordinary Member at the same time in the same Incorporated Organisation.

24. Rights and liabilities etc. of Founding Members and Ordinary Members

- (1) A Founding Member or Ordinary Member of an Incorporated Organisation is not liable, only because of being a Founding Member or Ordinary Member, to contribute towards the payment of the debts and liabilities of the Incorporated Organisation or to the costs, charges and expenses of the winding up of the Incorporated Organisation.
- (2) A Founding Member or Ordinary Member of an Incorporated Organisation does not have, as a Founding Member or Ordinary Member, any right, title or interest, whether legal or equitable, in the property of the Incorporated Organisation.

25. Register of members

- (1) An Incorporated Organisation must maintain an up to date register of Founding Members and Ordinary Members in accordance with the Rules.
- (2) The Incorporated Organisation must ensure that the register is kept at the Incorporated Organisation's registered office in the AIFC.
- (3) The Incorporated Organisation must ensure that the register is open to inspection by any Founding Member or Ordinary Member of the Incorporated Organisation, or any other Person, during business hours without charge.
- (4) Contravention of this section is punishable by a fine.

26. Meetings of Founding Members



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- (1) The Founding Members are to meet at the times and places that they decide.



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- (2) However, a Founding Member may at any time call a meeting of the Founding Members by giving the other Founding Members at least 21 days Written notice of the meeting.

27. **Board of Incorporated Organisation**

- (1) An Incorporated Organisation must be managed by a Board.
- (2) An Incorporated Organisation must ensure that its Board consists solely of Founding Members and that Ordinary Members are not involved in the management of the Incorporated Organisation.
- (3) An Incorporated Organisation must ensure that its Charter of Organisation makes provision about the membership of its Board and the Board's Functions and operations.
- (4) The Board may appoint a [Person](#) resident ~~of~~[in](#) the Republic of Kazakhstan to be the Incorporated Organisation's agent.
- (5) Subject to the Charter of Organisation, the Board may delegate any of its Functions to any Person it considers appropriate.
- (6) Contravention of this section is punishable by a fine



(7)

PART 11: ULTIMATE BENEFICIAL OWNERS

39. Ultimate Beneficial Owners

The provisions of Part 16 of the AIFC Companies Regulations apply to Non-Profit Incorporated Organisations as set out therein.



PART 12: WHISTLEBLOWING

40. Whistleblowing

The provisions of Part 17 of the AIFC Companies Regulations apply to Non-Profit Incorporated Organisations as set out therein.