

LAW OF THE REPUBLIC OF KAZAKSTAN ON LIMITED LIABILITY PARTNERSHIPS

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CHAPTER 1. GENERAL PROVISIONS

ARTICLE 1. RELATIONSHIPS GOVERNED BY THIS LAW

1. Under the Civil Code of the Republic of Kazakhstan this law determines the legal status of a limited liability partnership, the rights and duties of its participants and the procedure for formation, activities, reorganization and liquidation of the partnership.
2. This Law shall apply to an additional liability partnership since otherwise is not provided by article 3 of this Law.
3. Particularities of a limited liability partnership with foreign participation may be determined by the legislative acts on foreign investments.

ARTICLE 2. CONCEPT OF A LIMITED LIABILITY PARTNERSHIP

1. A partnership formed by one or several persons with the authorized capital divided into shares the extend whereof is subject to the constituent documents shall be recognized as a limited liability partnership. The participants of a limited liability partnership shall not be liable for its obligations and take a risk of losses resulting from the partnership's activity only within the value of their own contributions unless otherwise is provided by the Civil Code of the Republic of Kazakhstan and this Law.

A limited liability partnership shall be perpetual unless its constituent documents provide the partnership is formed for a definite period or for a definite purpose.

2. A limited liability partnership shall be a legal entity.
3. A limited liability partnership shall be liable for its obligations with all its property.

A partnership shall not be liable for the obligations of its participants.

4. Those participants of a partnership that have not completely contributed to the authorized capital shall be jointly and severally liable for partnership's obligations within the values of their respective non-contributed parts.

ARTICLE 3. ADDITIONAL LIABILITY PARTNERSHIP

1. A partnership the participants whereof are liable for its obligations with their respective contributions to the authorized capital and in the event of insufficiency of these amounts - additionally with the property they own to the extent multiple to their contributions shall be recognized as an additional liability partnership.
2. Limits of the participants liability shall be determined by the charter of the partnership.
3. In the event of bankruptcy of a participant his liability for partnership's obligations shall be distributed among the other participants in proportion to their contributions unless other order of liability distribution is provided by the charter.

ARTICLE 4. FIRM NAME OF A LIMITED LIABILITY PARTNERSHIP

1. A limited liability partnership shall have a firm name which must contain the partnership name as well as the words «limited liability partnership» or the abbreviation «TOO». The firm name of an additional liability partnership must respectively contain the words «additional liability partnership» or the abbreviation «ÖÄÎ». Under such firm name a partnership shall be subject to the state registration.

A partnership shall be also entitled to use a shortened form of the firm name and its equivalent in foreign languages.

2. The firm name of a limited liability partnership formed with foreign participation may contain as well the information on the citizenship of its founders.

ARTICLE 5. SITE AND ADDRESS OF A LIMITED LIABILITY PARTNERSHIP

1. The site of the permanently operating body of a limited liability partnership shall be recognized as the site of the partnership.
2. When changing the site of a limited liability partnership, the latter shall notify thereof the body that has effected its state registration and the body implementing the state registration of legal entities at the new site of the partnership for the purpose of entering the respective changes to the State Register of legal entities.

ARTICLE 6. LEGAL CAPACITY OF A LIMITED LIABILITY PARTNERSHIP

1. A limited liability partnership shall be a commercial organization and have civil rights and bear obligations related to its activity and required to conduct any kind of activity which is not forbidden by legislation.
2. A limited liability partnership may conduct certain kinds of activity, the list whereof is subject to legislative acts, only on the basis of a license.

ARTICLE 7. BRANCHES AND REPRESENTATIVE OFFICES OF A LIMITED LIABILITY PARTNERSHIP

1. Under article 43 of the Civil Code of the Republic of Kazakhstan, a limited liability partnership may form branches and open representative offices beyond its site.

The partnership shall inform the body that has effected its state registration on the formation of its branches or opening its representative offices as well as on their sites.

2. The executive body of the partnership shall take decisions on the formation of branches or opening representative offices unless the charter of the partnership provides that such decisions are to be taken by a general meeting of its participants.

ARTICLE 8. PARTICIPANTS OF A LIMITED LIABILITY PARTNERSHIP

1. The founders of a limited liability partnership and the persons that have acquired shares in the partnership property after its formation shall be participants of the partnership.
2. Legislative acts may forbid or restrict the participation of public employees in a limited liability partnership.
3. State bodies may not entitled to participate in a limited liability partnership.

4. A state-owned enterprise may participate in a limited liability partnership only upon the consent of the state expressed by a body the state has authorized.
5. Institutions may be participants of a limited liability partnership by the authority of the owner unless otherwise is provided by legislative acts.

ARTICLE 9. NUMBER OF PARTICIPANTS OF A LIMITED LIABILITY PARTNERSHIP

The number of participants of a limited liability partnership shall not exceed fifty.

The exceeding of the specified number shall be followed by the consequences provided in article 69.2 of this Law.

ARTICLE 10. PARTICULARITIES OF THE LEGAL STATUS OF A LIMITED LIABILITY PARTNERSHIP WITH ONE PARTICIPANT

1. No partnership consisting of a single person may be a single participant of another partnership.
2. In a limited liability partnership consisting of a single participant, a decision pertaining to the competence of general meeting of the participants shall be taken solely by the single participant and executed in writing. The provisions of articles 44 - 50 hereof shall not apply.

ARTICLE 11. RIGHTS OF A PARTICIPANT OF A LIMITED LIABILITY PARTNERSHIP

1. A participant of a limited liability partnership shall be entitled:
 - 1) to be involved in managing the partnership affairs in the order provided by this Law and the partnership charter;
 - 2) to receive information on the partnership activity and examine its accounting and other documentation in the manner provided by the partnership charter;
 - 3) to receive profit from partnership activity under this Law, the partnership charter and decisions of its general meetings;
 - 4) in the event of liquidation of the partnership, to receive the value of a part of the property remaining after payments to the creditors, or, if all the participants agree so, the part of that property in kind;
 - 5) to terminate his participation in the partnership by alienation of his share in the order provided hereby.
2. The participant of a limited liability company may exercise other rights provided by this Law and the partnership charter.

ARTICLE 12. OBLIGATIONS OF A PARTICIPANT OF A LIMITED LIABILITY PARTNERSHIP

1. A participant of a limited liability partnership shall:
 - 1) contribute to the partnership authorized capital under the provisions of this Law, the founding agreement among the founders and the partnership charter determining the amount of contributions and the order and terms of making thereof;
 - 2) keep confidentiality of information on the partnership activity.
2. A participant of a limited liability partnership may be obliged otherwise as provided by this Law or the partnership charter or as established by a general meeting of its participants under this Law and the constituent partnership documents.

CHAPTER 2. FORMATION OF A LIMITED LIABILITY PARTNERSHIP

ARTICLE 13. PROCEDURE FOR FORMATION OF A LIMITED LIABILITY PARTNERSHIP

1. Formation of a limited liability partnership shall commence from the conclusion by its founders of a founding agreement (article 14 hereof) and be completed by the state registration of the partnership as a legal entity (article 19 hereof).
2. The procedure for formation of a limited liability partnership shall be subject to prior termination where:
 - 1) within a year or, in case the founding agreement provides for other term, within that term following the date the founding agreement is concluded a proper application for the state registration of the partnership is not filed;
 - 2) the state registration of the partnership is denied unless the denial is appealed judicially within a fixed period or the denial is appealed but the appeal is declined.
3. Before the procedure for formation of the limited liability partnership is completely terminated as provided in paragraph 2 of this article:
 - 1) the founders of the partnership contributed money to form the charter capital shall be entitled to require their immediate return;
 - 2) an agreement on trust management concluded hereunder shall terminate and the property transferred under such agreement shall be subject to return unless the parties to that agreement have agreed otherwise.
4. Before the procedure for formation of the limited liability partnership is completely terminated as provided in paragraph 2 of this article a new partnership may be formed in the event the founders have concluded a new founding agreement. In so doing, the circumstances entailed the denial in the state registration of the partnership, if any, shall have been considered.

ARTICLE 14. FOUNDING AGREEMENT OF A LIMITED LIABILITY PARTNERSHIP

1. A limited liability partnership shall be formed on the basis of its foundation agreement.
2. The founding agreement of a limited liability partnership shall contain the following:
 - 1) the decision to form the partnership, its firm name and site;
 - 2) a list of the partnership founders with indication of their names, sites, bank requisites (if a founder is a legal entity) or names, places of residence and data of identity cards (if a founder is an individual);
 - 3) the procedure for formation of the partnership; founders' obligations related to the formation and other terms of founders' activity on forming the partnership; determination of powers of specified persons and other persons authorized to represent the partnership interests in the process of its formation and registration;
 - 4) fixed amount of the partnership authorized capital;
 - 5) information on the composition, amount and term of each founder's money contribution to the partnership authorized capital or on the pecuniary valuation of the contributions made in kind or in the manner of any property right; the order of taking decisions on additional contributions to the

partnership authorized capital; the consequences of undue contributing to the partnership authorized capital;

- 6) determination of the founder's share in the partnership property; the order of transfer of shares from one participant to another;
- 7) approval of the partnership charter;
- 8) the order of distribution of the net profit and losses of the partnership.

When the founders decide so, the founding agreement may contain other terms respecting the formation of the partnership and its future activity which terms shall not conflict to this Law and other legislative acts.

3. The founding agreement of a limited liability partnership may provide for the subject and purposes of its activity.
4. The founding agreement of a limited liability partnership shall be one of the documents representing the trade secret of the partnership, unless otherwise is provided by the founding agreement, and shall be submitted to any state or other official body or to a third party only where the management of the partnership decide so or it is provided by legislative acts.

In the course of the state registration, the submission of the founding agreement to the registration body shall not be required.

5. The provisions of the founding agreement shall bind all the founders who have signed the agreement as well as any new participant which has joined the partnership after the partnership is formed and registered.

ARTICLE 15. FORM AND ORDER OF CONCLUSION OF A FOUNDING AGREEMENT

1. The founding agreement of a limited liability partnership shall be concluded when is signed by each founder personally or by proxy.
2. The founding agreement of the limited liability partnership shall be executed in writing.
3. The agreement shall be signed by all the partnership founders.

Founder representatives shall have the corresponding power to form the partnership and sign the founding agreement.

Those legal entities, if any, which enter in the number of founders may be represented by their leaders authorized to act on behalf of their respective legal entities without power of attorney.

4. The refusal to sign the agreement shall mean the refusal to join the partnership. No person failed to sign the agreement shall be listed in the founder list.

No agreement under reservations shall be signed. Particularities of the status of separate partnership participants shall be specified in the text of the agreement signed by all the founders.

5. The founding agreement shall be notarized.
6. The founders who have signed the founding agreement after the state registration of the partnership shall become partnership participants.

ARTICLE 16. PARTICULARITIES OF FOUNDING A LIMITED LIABILITY PARTNERSHIP WITH A SINGLE PARTICIPANT

1. A limited liability partnership with a single participant shall be formed on the basis of a decision solely taken by the participant.

A founding agreement shall not be executed in such event.

2. The charter of the limited liability partnership with a single participant shall be approved by the person formed this partnership.
3. State registration of the limited liability partnership with a single participant shall be effected in the general order of limited liability partnerships registration.
4. In the event a new participant joins the limited liability partnership as a result of partition of the contribution or increase of the authorized capital such a new participant shall sign the founding agreement under the provisions of article 15 hereof.

ARTICLE 17. CHARTER OF A LIMITED LIABILITY PARTNERSHIP

1. The charter of a limited liability partnership shall represent a document determining the legal status of the partnership as a legal person.

In the course of state registration of a partnership, its charter shall be treated as a constituent document.

2. The charter of a limited liability partnership shall contain the following:
 - 1) the firm name, site and postal address of the partnership;
 - 2) a list of participants of the partnership with indication of their names, sites, postal addresses, bank requisites (if a founder is a legal person) or names, places of residence and data of identity cards (if a founder is an individual);
 - 3) specification of the amount of the partnership authorized capital;
 - 4) order of formation and competence of the partnership bodies;
 - 5) terms of reorganization of the partnership or termination of its activity.

If a partnership is founded by a single person, the charter shall determine the order of formation of its property and distribution of its profits.

The charter may contain other provisions complying with the founding agreement and this Law.

The charter of the partnership may provide the subject and purposes of the partnership activity.

3. The charter shall be approved by a general meeting of the founders.

The charter shall be approved unanimously and signed by all the founders.

4. The partnership charter shall be notarized.
5. The partnership charter as well as all documents on the further changes thereto shall be kept by the body that has effected the state registration of the partnership.

Any interested party shall be entitled to get acquainted with the partnership charter.

6. The partnership shall be entitled to act on the basis of the Limited Liability Partnership Model Charter approved by the Government of the Republic of Kazakhstan. If so, the submission of the charter in the course of the state registration shall not be required.

ARTICLE 18. PROCEDURE OF CHANGING OF THE CHARTER OF A LIMITED LIABILITY PARTNERSHIP

1. The charter of a limited liability partnership may be changed upon a decision of a general meeting taken under the provisions of article 48 hereof.
2. Within one month, the partnership shall notify of changes to the charter the body that has effected the state registration of the partnership. Upon expiration of this period, any interested party shall be entitled to demand judicially that the state register of legal entities is respectively changed.
3. In relationships with a third party, the partnership and its participants shall be entitled to refer to the changes to the partnership charter in fifteen days after the date the body that has effected the state registration of the partnership received a notice provided in paragraph 2 of this article or from the date the state register of legal entities is changed upon a corresponding court decision. However, the third party shall be entitled to act with consideration of those changes before the specified circumstances and terms arrived.

ARTICLE 19. STATE REGISTRATION OF A LIMITED LIABILITY PARTNERSHIP

1. A limited liability partnership shall be treated formed from the date of its state registration.
2. The state registration of a limited liability partnership shall be effected by law enforcement agencies in the order determined by the legislation on registration of legal entities.
3. Data of the state registration, including information on the firm name, authorized capital amount, founders and executive bodies of the partnership, its site and address, shall be entered into the single state register of legal entities, open for common examination, and not represent a trade secret of the partnership.
4. For the state registration of the limited liability partnership, founders shall submit the following:
 - 1) statement on the formation of the partnership signed by a person authorized by the founders to form the partnership;
 - 2) the partnership charter (article 17 hereof);
 - 3) receipt confirming the payment of a fee for the state registration of a legal entity.
5. Where the founders decide to act under the Limited Liability Model Charter (article 17.6 of this Law), the submission of the charter in the process of state registration of the partnership shall not be required. However, the application for registration under the Model Charter shall contain the following:
 - 1) the name and site of the partnership;
 - 2) the amount of the partnership authorized capital;
 - 3) a list of participants of the partnership with indication of their names, sites, postal addresses, bank requisites (if a founder is a legal person) or names, places of residence and data of identity cards (if a founder is an individual);

4) indication that the partnership will act under the Model Charter.

The application shall be signed by all founders whose signatures must be notarized.

6. A body effecting state registration of the partnership shall not be entitled to require the founders to submit any other documents.
7. A fee for the state registration of a limited liability partnership shall be charged in the amount of four monthly fixed coefficients that shall retain at the disposal of the registration body.

ARTICLE 20. DENIAL IN THE STATE REGISTRATION OF A LIMITED LIABILITY PARTNERSHIP

1. Denial in the state registration of a limited liability partnership shall be allowed when:
 - 1) the partnership charter is in conflict with the requirements hereof (article 17.2);
 - 2) the founders missed to submit one of the documents specified in article 19.4 hereof;
 - 3) the founders violates the partnership formation procedure provided hereby.
2. Denial in the state registration of a limited liability partnership justified by the inadvisability of its formation shall not be permitted.
3. Denial in the state registration of a limited liability partnership as well as failure to effect the registration may be appealed by the founders judicially.

ARTICLE 21. LIABILITY FOR OBLIGATIONS RELATED TO FORMATION OF A LIMITED LIABILITY PARTNERSHIP

The founders of a limited liability partnership shall be jointly and severally liable for any obligation which relates to the partnership formation and has arisen prior to its state registration in the event it is proved that they acted in partnership interests. The partnership shall be liable for such obligations in the event the actions of specified persons is subsequently approved by a general meeting of participants of the partnership.

ARTICLE 22. CHANGE TO THE COMPOSITION OF A LIMITED LIABILITY PARTNERSHIP

1. Admission to a partnership of a new participant, made under the requirements of this Law, the charter and founding agreement of the partnership, shall be formalized by an agreement on joining the founding agreement. The agreement on joining shall be signed by the authorized leader of a partnership's body and by the joining participant.

The agreement on joining shall be an integral part of the founding agreement which shall be treated amended as it results from the terms of the agreement on joining. The agreement on joining to the founding agreement shall be notarized.

A new participant shall be treated as joined to the founding agreement of the partnership and to its charter with consideration of the changes to these documents which result from the provisions of the agreement on joining.

2. The person, that has become a partnership participant after purchase of the share of the retiring participant or by other reasons the share is transferred, shall be treated joined the founding agreement and charter of the partnership from the moment the right to the share is transferred.

ARTICLE 23. FORMATION OF THE AUTHORIZED CAPITAL OF A LIMITED LIABILITY PARTNERSHIP

1. The authorized capital of a limited liability partnership shall be formed by the aggregate contributions of its founders (participants).
2. The initial amount of the authorized capital shall be equal to the sum of the founder contributions and no less than the amount equivalent to one hundred monthly fixed coefficients as of the date the documents are submitted for the state registration of the partnership.
3. Money, securities, items of property, property rights including those to land use and to results of intellectual activity may be contributed to the authorized capital of a limited liability partnership.

Contribution of private non-property rights and other intangible benefits shall not be permitted.

4. Contributions of the founders (participants) to the authorized capital made in kind or in the manner of property rights shall be valued in the pecuniary form upon the consent of all the founders or upon the decision of a general meeting of participants of the partnership. In the event the value of such contributions exceeds the amount equivalent to twenty thousand monthly fixed coefficients, the valuation thereof shall be approved by an independent expert.
5. Where the right to use property is contributed, the amount of this contribution shall be determined by the charge for use calculated for the whole period specified in the constituent documents.

Prior seizure of property the right to use whereof has been contributed to the partnership authorized capital shall not be permitted without consent of a general meeting.

Unless otherwise is provided in the constituent documents, the risk of accidental loss or damage of property transferred to the partnership for use shall be taken by the owner of the property.

6. The ratio of a participant's contribution to the total amount of the authorized capital shall be that participant's share in the authorized capital. Such share may be expressed as a part of the whole or as percentage.

Any change to the amount of the authorized capital resulting from joining of a new participant to or withdrawal of a former participant of the limited liability partnership shall be followed by corresponding re-calculation of the shares of the participants in the authorized capital as of the date of the joining or withdrawal.

ARTICLE 24. TERMS FOR FORMATION OF THE AUTHORIZED CAPITAL OF A PARTNERSHIP

1. By the date of the registration of a partnership, the participants shall contribute no less than 25 percent of the total amount of the authorized capital, however, no less than the minimal amount of authorized capital (article 23.2 hereof).
2. Within the period fixed by decision of a general meeting, all participants must contribute the whole authorized capital of the partnership. Such period shall not exceed one year from the date the partnership is registered.

3. In the event a participant of the partnership fails to contribute his share within the specified period, the partnership shall contribute the missing amount from its owners' equity (its net assets) or reduce the authorized capital by its contributed part.

The participant failed to contribute his share shall indemnify the partnership and, unless otherwise is provided by the founding agreement or charter, pay interest to the partnership under article 353 of the Civil Code of the Republic of Kazakhstan.

4. Upon decision of a general meeting of the partnership, a share not contributed in whole or in part by a participant within the specified period may be portioned among other participants in the order provided by article 31.1 hereof or by the constituent documents or may be offered to a third party.

In the event it is impossible to sell the non-contributed part, the amount of the authorized capital of the partnership shall be respectively reduced and shares of the participants in the authorized capital shall be respectively changed.

5. Where a participant who has contributed property which may be used only upon lapse of a certain period of time, such contribution, if a general meeting decides so, may be recognized contributed from the date a notarized debenture is received from the participant with specification of the nature of the contribution, its pecuniary value and the term of contribution. Such term may not exceed three years.
6. A participant of the limited liability partnership who has contributed his share in whole shall be entitled to obtain from the partnership a certificate confirming the fact of his participation in the partnership.
7. In order that the authorized capital of a limited liability partnership may be paid prior to the formation of the partnership, the founders may appoint in the founding agreement a founder which shall open in his name a cumulative bank account to which the due amounts might be transferred.

When the partnership is formed and the cumulative bank account is opened, the founder in whose name the account is opened shall immediately transfer the money credited to the cumulative account to the partnership account. In the event the founder fails to transfer the money on time, he shall pay to the partnership an interest on that money the amount of which interest is determined by article 353 of the Civil Code General Part unless the founders determine other consequences of such delay.

8. In the event the charter of a limited liability partnership provides that its founders may contribute to the authorized capital as money as other property the founders may appoint in the founding agreement one of the founders or a third party to whom the property shall be transferred under trust management for a period preceding the formation of the partnership.
9. An agreement on trust management entered into under paragraph 8 of this article shall provide the following:
 - 1) the duty of the trust manager to manage the corresponding property in the interests of all founders and, after the limited liability partnership is formed, - in the partnership interests;
 - 2) vesting the limited liability partnership from the moment it is formed with the rights of a person, in whose favor the agreement is executed and in whose ownership the property subject to the trust management is lapsed thereafter.

ARTICLE 25. EXAMINATION OF THE AUTHORIZED CAPITAL OF A LIMITED LIABILITY PARTNERSHIP

1. The authorized capital and its proportion with the owners' equity shall not be subject to examination in the course of registration or re-registration of a limited liability partnership.
2. The authorized capital of the limited liability partnership may be examined:
 - 1) by an independent expert after demand of a participant. The expert operation shall be paid for by the interested participant;
 - 2) on a court decision and in the order established by the court;
 - 3) on results of each fiscal year - on financial reporting.
3. Where the authorized capital of a limited liability partnership exceeds the owners' equity, the participants shall be liable jointly and severally to partnership creditors in the subsidiary manner for partnership debts within the amount on which the authorized capital exceeds the owners' equity.

ARTICLE 26. INCREASE OF THE AUTHORIZED CAPITAL OF A LIMITED LIABILITY PARTNERSHIP

1. Increase of the authorized capital of a limited liability partnership shall be permitted after the authorized capital is paid in whole.
2. The authorized capital of the limited liability partnership may be increased as follows:
 - 1) through additional proportional contributions made by all participants of the partnership;
 - 2) through the owners' equity of the partnership including the partnership reserve fund;
 - 3) through re-valuation of the net assets (owners' equity) of the partnership, the real value of which exceeds their balance value. The re-valuation may be conducted by an independent expert only. Increasing the authorized capital of the partnership shall not be permitted through its net assets in the event the authorized capital exceeds the net assets value as a result of such increase;
 - 4) through additional contributions made by one or several participants upon consent of the other participants;
 - 5) through joining the partnership of new participants (article 22 hereof).
3. When increasing the amount of the authorized capital as provided by subparagraphs 1, 2, 3, paragraph 2 of this article, no participant share shall be changed.
4. When increasing the authorized capital through an additional contribution made by either a participant or newly joining participant of the partnership (subparagraphs 4 and 5, paragraph 2 of this article), the amount of such contribution shall be determined considering the amount of the participant's contribution to the owners' equity and necessity to re-calculate shares of all the participants in the authorized capital.

The decision shall be taken on the consent of all participants.

5. Within three months from the date the decision on increasing the authorized capital is taken by a general meeting, the limited liability partnership shall notify thereof the body that has effected its state registration. By the moment of the notice, no less than a half of the amount by which the authorized capital is planned to be increased shall be contributed.

In the event the partnership fails to notify the body that has effected its state registration, the increasing the authorized capital shall be recognized as not accomplished.

6. Where increase of the authorized capital is not accomplished, a participant or third party intended to join the limited liability partnership and contributed to the authorized capital shall be entitled to make a claim for returning the contribution and either interest accrued under article 353 of the Civil Code of the Republic of Kazakhstan or indemnification including lost profits resulted from the impossibility to use the contributed property.

ARTICLE 27. REDUCTION OF THE AUTHORIZED CAPITAL OF A LIMITED LIABILITY PARTNERSHIP

1. The authorized capital of a limited liability partnership may be reduced by either proportional reducing the amounts of contributions of all participants of the partnership or wholly or partial redemption of shares of several participants.
2. When reducing the authorized capital by redeeming the share of a participant, the shares of other participants shall be subject to the proportional change.
3. From the date a general meeting of participants of the partnership decided to reduce the authorized capital, the partnership shall inform thereof the creditors on obligations that have arisen after the decision is taken.
4. Within a period of two months after the date the general meeting of the partnership decided to reduce the authorized capital, the partnership shall send to all its creditors a written notice on the reduction or place a corresponding announcement in an official publication in which information on partnerships is published. The partnership creditors shall be entitled within one month after they received their notices or the announcement is published to make a claim to the partnership for an additional guarantee or prior termination or fulfillment by the partnership of the respective obligations and indemnification. The claims shall be sent to the partnership in writing and their copies may be delivered to the body that has effected the state registration of the partnership.
5. Reduction of the authorized capital of a limited liability partnership shall be registered by the body that has effected the state registration of the partnership upon expiration of the period within which the creditors may make their claims (paragraph 4 of this article). In the event the body that has effected the state registration of the partnership receives copies of the creditors' claims, the reduction shall be registered provided that the partnership produces evidence the claims are satisfied or that no claiming creditor takes objections against the registration of reduction of the partnership authorized capital.
6. Where, within a period of six months after the date the general meeting of the partnership decided to reduce the authorized capital, the partnership fails to file a statement on the re-registration or to produce the required evidence (paragraph 5 of this article), reduction of the authorized capital shall be recognized as not accomplished. If so, the authorized capital may be reduced only when a general meeting takes a new relevant decision under this article.
7. When the authorized capital has been reduced in violation of this article, it may be the ground for liquidation of the partnership upon court decision and a statement of interested persons.
8. In connection with reduction of the authorized capital, the limited liability partnership may produce payments to its participants only within that portion of the net assets which exceeds the new amount of the authorized capital. Payments shall be made after the registration of reduction of the authorized capital within a period established by the partnership charter or decision of the general meeting on

reduction of the authorized capital, however, no later than within three months from the registration date.

Payments shall be made in proportion to the shares of partnership participants.

9. The authorized capital may be reduced only provided that participants have contributed the whole amount of the authorized capital specified in the constituent documents.

ARTICLE 28. SHARES OF PARTICIPANTS OF A LIMITED LIABILITY PARTNERSHIP

1. Share of a participant in the authorized capital and, accordingly, in the value of the limited liability partnership property (share in the property) shall be proportional to his contribution to the authorized capital unless otherwise is provided by the constituent documents.

The amount of a share shall be determined as provided by article 23.6 hereof. Any change (increase or reduction) to the contribution to the authorized capital of at least one of the participants shall be followed by the corresponding re-calculation of the amounts of shares of all partnership participants.

2. Forfeiture of right to the share on any ground shall be followed by withdraw of a participant of the limited liability partnership. Acquisition of a share in the order established hereby shall mean that the acquirer joins the partnership.
3. The constituent documents of a limited liability partnership may provide for the maximal amount of share a participant may own. Such restriction may not be established in respect of the certain participant. In the same manner, the constituent documents may restrict the possibility to change the proportion of the shares held by the participants of the partnership.
4. The participant's right to his share in the limited liability partnership property shall have a not in rem but obligatory nature.

ARTICLE 29. DISPOSITION BY A PARTICIPANT OF A LIMITED LIABILITY PARTNERSHIP OF HIS SHARE IN THE PARTNERSHIP PROPERTY

1. Before a participant has contributed in whole to the authorized capital of a limited liability partnership, his share in the partnership property may be alienated or pledged only to the extent of the paid part of the contribution.
2. A participant of a limited liability partnership shall be entitled to sell or otherwise transfer his share in the partnership property or a part thereof to one or several participants of the partnership at his own discretion. In the same manner, the participant shall be entitled to pledge his share in order to secure his obligation before other partnership participant. No consent of the partnership or other participants shall be required when concluding such transactions. However, where the constituent documents of the partnership provide the same terms as those specified in article 28.3 hereof, that terms shall be observed in the transfer of the share.

ARTICLE 30. POSSIBILITY OF ALIENATION OF THE SHARE OF A LIMITED LIABILITY PARTNERSHIP PARTICIPANT IN FAVOR OF A THIRD PARTY

1. Unless the constituent documents provide otherwise, a limited liability partnership participant may alienate or pledge his share (or its part) to secure his obligation before a third party.
2. The constituent documents of a limited liability partnership may provide certain conditions for selling a share to a third party.

3. No restriction established by this article shall apply to the sale of a share held by the state or a state legal entity in the event the share is sold at the auction under the legislation on privatization. In such sale, however, the preemption right established by article 31 hereof shall be reserved at other participant (or participants).

ARTICLE 31. PREEMPTION RIGHT

1. As compared to a third party, any participant of a limited liability partnership shall exercise the preemption right with respect to a whole or partial share of other participant when the latter sells it. In the event there are several participants willing to exercise the preemption right and unless the constituent documents or other agreement among the participants provide otherwise, the participants shall exercise the preemption right proportionally to their shares in the authorized capital.
2. A participant of a limited liability partnership willing to sell his share in whole or in part to a third party shall notify of the intention in writing the executive body of the partnership, having specified the supposed sale price.
3. Within seven days from the moment the executive body has received the notice of offering the share for sale from the participant of the limited liability partnership, it shall inform thereof all participants of the partnership. A participant of the partnership willing to exercise the preemption right shall inform thereof the executive body of the partnership within seven days having indicated whether he wants to purchase the share in whole or in part.
4. In the event the aggregate value of the bids received does not exceed the amount of the offered share, each participant shall acquire the part he specified in his bid. The remaining part of the share may be alienated in favor of a third party unless before the alienation additional bids have been received from participants of the limited liability partnership.
5. In the event the share is not redeemed in whole or in part by participants of the limited liability partnership in the order of exercising the preemption right within a month from the date the notice of the offer is sent to the executive body of the partnership, the offering participant shall be entitled to sell the share (or its unredeemed part) to a third party for a price no lower than that which is specified in the notice.
6. In the event the share is alienated in favor of a third party for a price lower than that which is specified in the notice, the sales agreement may be recognized as invalid. The participants shall be entitled to repeat the procedure of exercising the preemption right with consideration of the actual price the share has been sold for in whole or in part.
7. When selling a share in whole or in part in violation of the preemption right, any participant of the limited liability partnership shall be entitled within three months to require that the acquirer rights and obligations are vested him judicially.
8. The preemption right shall be exercised in any manner the share is sold, including auction sale.
9. No assignment of the preemption right shall be permitted.
10. In the event a participant redeems an alienated share in whole or in part, his share in the partnership authorized capital shall correspondingly increase.
11. The provisions of this article shall also apply to the alienation of a share under an exchange agreement.

12. In the event no participant wills to exercise the preemption right to redeem a share in whole or in part and the share is sold to a third party, the limited liability partnership itself may exercise the preemption right under the provisions of paragraphs 2, 5-9 and 11 of this article.

ARTICLE 32. SELLING THE SHARE OF A PARTICIPANT OF A LIMITED LIABILITY PARTNERSHIP WHEN OTHER PARTICIPANTS WAIVE TO REDEEM IT

1. The constituent documents of a limited liability partnership may prohibit or restrict selling by a partnership participant of his share to a third party (for instance, the constituent documents may provide for selling a share only to other partnership participants or to a limited circle of third parties). If so, the share shall be sold under such prohibitions or restrictions.
2. In the event a share, due to circumstances which are beyond the control of the seller, cannot be sold under the prohibitions or restrictions provided in paragraph 1 of this article, the offering participant may demand the limited liability partnership to redeem the share or to permit its sale to a third party.

A decision as to the choice of one of the above variants shall be taken by a general meeting of participants of the partnership.

3. When the limited liability partnership redeems the share, its shall be determined by an agreement of the parties or by court if the agreement is not achieved.
4. In the event the partnership consents to sell the share to a third party, the participants of the partnership shall reserve the preemption right provided by article 31 of this Law.

ARTICLE 33. CONSEQUENCES OF THE REDEMPTION BY A LIMITED LIABILITY PARTNERSHIP OF THE SHARE OF ITS PARTICIPANT

1. Where a limited liability partnership redeems the share of its participant as provided by articles 31-36 hereof or the partnership redeems the share of a participant on the agreement of the parties, the partnership shall offer to other participants to redeem the share for a price determined by the decision of a general meeting.
2. In the event several participants express the intention to redeem the share, it shall be divided among them proportionally to the amounts of their respective shares in the authorized capital of the limited liability partnership.

An amount of the share redeemed by a participant shall be added to the amount of the share the participant held before the redemption. In so doing, the provision of article 28.3 of this Law on possible restriction of the amount of a share one participant is permitted to hold shall apply.

3. In the event no participant wills to redeem the share that the partnership has redeemed from a withdrawing participant, the share shall be redeemed through the corresponding reduction of the authorized capital and re-calculation of other participants' shares in the authorized capital.
4. Upon decision of a general meeting, the limited liability partnership shall be entitled, instead of redemption of the share, as provided in paragraph 3 of this article, to sell it to a third party on behalf of the partnership.
5. No dividend shall be charged to the share of a withdrawn participant of a limited liability partnership until the share is redeemed by another participant or is sold to a third party.

ARTICLE 34. COMPULSORY REDEMPTION OF THE SHARE FROM A PARTICIPANT OF A LIMITED LIABILITY PARTNERSHIP

1. When a participant of a limited liability partnership causes harm to the partnership or its participants, the latter shall be entitled to claim the harm-doer for indemnification.
2. When an essential harm is caused, the limited liability partnership, besides the claim for indemnification, shall be entitled, upon decision of a general meeting, to put a question of the compulsory redemption by the partnership of the harm-doer's share and thereunder - on his withdrawal of the partnership.
3. The compulsory redemption of the share shall be achieved judicially.

ARTICLE 35. DESCENT OF A SHARE IN THE AUTHORIZED CAPITAL OF A LIMITED LIABILITY PARTNERSHIP

1. The share of a participant of a limited liability partnership shall descend to his heirs. The partition of the share among several heirs shall be governed by the Civil Code intestate rules.
2. The charter of the limited liability partnership may provide that the share of the partnership participant descends upon the consent of a general meeting of the partnership. Where the consent is not expressed within three months from the day the decedent's estate is opened, the partnership shall redeem the share from the heirs within a period of one month for a price agreed by the parties or in the event of a dispute - by court decision.

In case the partnership fails to redeem the share from the heirs within the fixed period, the share shall be treated as descended to the heirs.

ARTICLE 36. SUCCESSION OF LEGAL ENTITIES IN RESPECT OF A SHARE IN THE AUTHORIZED CAPITAL OF A LIMITED LIABILITY PARTNERSHIP

1. In the event of the reorganization of a legal entity through merger, consolidation or transformation, its share in the limited liability partnership authorized capital shall fall to the assignee of the reorganized legal entity.
2. In the event the reorganization consists in the division of the legal entity or in the separation of a new legal entity (or new legal entities), the share of the reorganized legal entity shall fall to its assignees under the distributive statement.
3. In the event a general meeting dissent that the share falls to the legal entity assignees, specified in paragraph 2 of this article, the limited liability partnership shall redeem the share in the order provided by article 34 hereof.

ARTICLE 37. RECOVERING THE SHARE OF A PARTICIPANT OF A LIMITED LIABILITY PARTNERSHIP BY ITS CREDITORS

1. Creditors of a limited liability partnership participant shall be entitled, upon the court decision, to enforce the recovery of the share, in whole or in part, of such participant in the partnership property.
2. A creditor recovering the share, in whole or in part, in which he has no pledgee's interest may make a claim to the limited liability partnership for compulsory redemption of the share, in whole or in part, from the debtor and discharge the debt of the redemption proceeds. The share shall be redeemed by

the partnership or its participants for a price fixed by the parties upon the consent of the participant whose share is redeemed.

3. Upon the consent of the limited liability partnership and participant whose share is recovered such share, in whole or in part, may be sold to a third party.
4. In the event that within three months from the day the creditor has made his claim to the partnership, or its participants or a third party fail to redeem the share, in whole or in part, and satisfy the claim, the creditor shall be entitled to demand that the share is sold in whole or in part at public auction in the order established by the civil procedure legislation. Other participants shall reserve the preemption right as provided in article 31 hereof.
5. Expenses for the assessment of the share, arrangement and conduction of the sale as well as satisfaction of the claim of the creditor recovering the share shall be extinguished from the proceeds of the sale of the share. The remainder, if any, shall be handed over to the person whose share is sold in whole or in part.

CHAPTER 4. PROPERTY OF A LIMITED LIABILITY PARTNERSHIP

ARTICLE 38. FORMATION OF THE PROPERTY OF A LIMITED LIABILITY PARTNERSHIP

1. The property of a limited liability partnership shall be formed by the contributions of its founders (participants), income received by the partnership and other sources permitted by legislation.
2. Legislative acts or the limited liability partnership constituent documents may provide for the formation of a reserve or other funds.
3. The property of the limited liability partnership shall be accounted in its balance sheet.

ARTICLE 39. ADDITIONAL CONTRIBUTIONS TO THE LIMITED LIABILITY PARTNERSHIP PROPERTY

1. Unless the charter of a limited liability partnership provides otherwise, a general meeting of participants may take decision on payment by participants of additional contributions to the partnership property. The decision shall be taken by a three fourth majority of votes of all the partnership participants. Participants who did not vote for such decision (including those who was absent of the meeting, did not participate in the voting or refrained thereof) shall be entitled to demand that the participants, who voted affirmatively on making additional contributions, redeem their shares. The participants who voted affirmatively on making additional contributions shall redeem these shares in proportion to their respective shares in the authorized capital of the partnership for a price determined hereunder.

Additional contributions shall be made after the accounts with participants filed the demand for redemption of their shares are settled.

2. The order and terms of contributing by participants to the limited liability partnership property as well as liability for delayed contributions shall be determined under the rules of article 24 of this Law.
3. No additional contribution to the limited liability partnership property shall change the amount of its authorized capital and shares of the partnership participants.

ARTICLE 40. DISTRIBUTION OF NET INCOME OF A LIMITED LIABILITY PARTNERSHIP AMONG ITS PARTICIPANTS

1. Net income received by a partnership for the results of its activity within a year shall be distributed upon decision of a regular general meeting of partnership participants dedicated to approval of the results of the partnership activity within a respective year.

The general meeting shall also be entitled to take decision that the net income, in whole or in part, is not subject to distribution among the partnership participants.

2. In the event the general meeting takes decision on distribution of the net income among the participants, each participant shall be entitled to received a part of the distributed income corresponding to his share in the partnership authorized capital. The partnership shall pay in the money form within one month from the date the general meeting decided to distribute the net income.
3. The limited liability partnership shall not be entitled to distribute its net income among participants before the authorized capital is fully paid or in the event that the owners' equity (net assets) of the partnership is lower that its authorized capital as a result of the net income distribution.

CHAPTER 5. MANAGEMENT OF A LIMITED LIABILITY PARTNERSHIP

ARTICLE 41. BODIES OF A LIMITED LIABILITY PARTNERSHIP

1. A limited liability partnership shall have the following management bodies:
 - 1) the superior body - a general meeting of its participants (general meeting);
 - 2) the executive body created as the partnership charter provides - whether a sole body (a director, manager or the like) or a collective body (direction, board of directors, management or the like). The partnership charter may provide for delegation of the executive body powers to a trust manager on the basis of decision of a general meeting of participants.
2. The partnership charter may provide for supervisory (supervisory board) and/or control (audit commission, auditor) bodies of the partnership.
3. The competence of the limited liability partnership bodies as well as the procedure for their taking decisions or acting on behalf of the partnership shall be determined by this Law, other legislative acts and the partnership charter.

ARTICLE 42. GENERAL MEETING OF A LIMITED LIABILITY PARTNERSHIP

1. The superior body a limited liability partnership (general meeting) shall be convened as a regular (article 44 hereof) or extraordinary (article 45 hereof) general meeting of participants.
2. Any partnership participant shall be entitled to be present at a general meeting, take part in discussing the agenda items and vote thereon.

No provision of the charter or any other document or decision which restricts the specified rights of partnership participants shall be valid.

3. A limited liability partnership participant may be present in person at a general meeting or be represented by proxy.

No member of the executive or control bodies shall represent a participant at a general meeting except for cases when the participant is a member of the executive or control body (audit commission) of the partnership.

A partnership participant - individual - may be represented by other persons on the basis of proxy. The individual shall give to its representative a proxy for participation at a general meeting either in the form provided by paragraph 4 or paragraph 5 of article 167 of the Civil Code General Part of the Republic of Kazakhstan or notarize it.

Where a participant is a legal entity, it may be represented by its head without proxy or by other representative on the basis of proxy. The legal entity shall give to its representative a proxy for participation at a general meeting in the form provided by article 167.6 of the Civil Code General Part.

4. In the event trust management is created with respect to the share of a participant, the latter may be represented at a general meeting by the trust manager unless otherwise is provided by the agreement between the participant and trust manager or the legislative acts on creation of trust management of property. Requirements to the representation are stated by the legislative acts on trust management of property.
5. When voting at a general meeting, each participant of a limited liability partnership shall have a number of votes corresponding to his share in the partnership authorized capital unless another order of determination of votes is provided by this Law (part one, article 47.7) or the partnership charter.
6. Unless otherwise is provided by the partnership charter, a member of the executive body of a limited liability partnership who is not a partnership participant may have advisory vote at a general meeting.

ARTICLE 43. COMPETENCE OF A GENERAL MEETING OF A LIMITED LIABILITY PARTNERSHIP

1. Competence of a general meeting of participants of a limited liability partnership shall be determined by the partnership charter hereunder.
2. The following shall pertain to the exclusive competence of general meeting of participants of a limited liability partnership:
 - 1) changing the partnership charter, amount of the authorized capital, site and trademark; approval of a new version of the partnership charter;
 - 2) formation of the executive body of the partnership and prior termination of its powers; taking decisions on delegation of powers of the partnership executive body to a trust manager (article 56 of this Law) and determination of terms of such delegation;
 - 3) election and prior termination of powers of the supervisory board and/or audit commission (auditor) of the partnership; approval of reports and opinions of the audit commission (auditor) of the partnership;
 - 4) approval of annual financial accounts and distribution of net incomes and losses of the partnership;
 - 5) approval of bylaws, procedure for their adoption and other documents governing the internal activity of the partnership;
 - 6) taking decisions on participation of the partnership in other economic partnerships or non-profit associations;
 - 7) taking decisions on reorganization or liquidation of the partnership;

- 8) appointment of liquidation commission members and approval of liquidation balance sheets;
 - 9) taking decisions on the compulsory redemption of a share from a partnership participant under article 34 of this Law;
 - 10) taking decisions on additional contributions to the partnership property under article 39 of this Law.
3. Besides the issues reckoned hereby to the exclusive competence of a general meeting, the limited liability partnership charter may reckon other issues to the same.
- Unless otherwise is provided by the partnership charter, a general meeting may delegate to the executive body or supervisory board any power not reckoned to the general meeting exclusive competence.
4. A general meeting of limited liability partnership participants irrespective of the determination of its competence by the partnership charter may take for consideration any question related to the partnership activity.

ARTICLE 44. REGULAR GENERAL MEETING OF PARTICIPANTS OF A LIMITED LIABILITY PARTNERSHIP

1. A regular general meeting of limited liability partnership participants shall be convened by the executive body of the partnership on dates fixed by the partnership charter, however, no less than once a year.
2. A meeting dedicated to approval of an annual financial report of a limited liability partnership shall be held no later than within three months after the end of the respective fiscal year.

ARTICLE 45. EXTRAORDINARY GENERAL MEETING OF PARTICIPANTS OF A LIMITED LIABILITY PARTNERSHIP

1. An extraordinary (special) general meeting of participants of a limited liability partnership shall be convened in the events provided by this Law, the partnership charter or when the partnership interests require to convene such meeting.
2. An extraordinary general meeting of participants of the limited liability partnership shall be convened by the executive body initiative, and in the event control bodies are created, - after demand of the supervisory board or audit commission (auditor), or by the initiative of partnership participants the aggregate votes whereof are more than one tenth of the total number of votes.

In the event the executive body fails to convene an extraordinary general meeting in spite of the demand of the supervisory board, audit commission (auditor) or participants of the partnership, the supervisory board, audit commission (auditor) or partnership participants the aggregate votes whereof are more than one tenth of the total number of votes may convene the meeting independently.

3. In the event the limited liability partnership is being liquidated, the liquidation commission (the receiver) may also convene an extraordinary general meeting of participants of the limited liability partnership.

ARTICLE 46. PROCEDURE FOR CONVOCAION OF A GENERAL MEETING OF PARTICIPANTS OF A LIMITED LIABILITY PARTNERSHIP

1. A body or persons convening a general meeting of participants of a limited liability partnership shall, no later than fifteen days prior to the date of the meeting, notify thereof in writing every participant of

the partnership using the address specified in the Participants Registry which is maintained by the executive body of the partnership.

The notice shall contain the time, place and agenda of the meeting.

The partnership may provide its participants with additional information through mass media.

2. Any participant of the partnership shall be entitled to bring his suggestions into the general meeting agenda within ten days prior to the meeting. Within the same term, partnership participants the aggregate votes whereof are more than one twentieth of the total number of votes shall be entitled to demand including the items they have determined into the agenda of the general meeting. Such demand shall be mandatory for the body or persons convening the general meeting.

In the event the general meeting agenda is changed upon suggestion or demand of partnership participants, the body or persons convening the meeting shall, no later than seven days prior to the meeting, inform thereof each partnership participant in the manner specified in part one of paragraph 1 of this article.

3. No later than ten days prior to the general meeting of participants of the limited liability partnership, the body or person (persons) convening the general meeting shall consider the suggestions received and decide on including of or denial to include them into the meeting agenda. In the event the suggestions have been accepted, the body or person (persons) convening the general meeting of participants of the limited liability partnership shall notify the participants of the changes to the agenda, and in the event the suggestions as to changing the agenda have been declined, such body or person (persons) shall give to the proposer a motivated statement of the denial no later than seven days prior to the general meeting.

When the denial and related decision violate rights and lawful interests of the proposer, the latter may appeal the decision as provided by article 51 of this Law.

4. The body or person (persons) convening the general meeting of participants of the limited liability partnership shall, upon request of a partnership participant sent no later than ten days prior to the meeting, send to this participant in writing no later than seven days prior to the meeting draft decisions on the all agenda items, copies of the documents the discussion of which is planned by the agenda as well as other information provided by the partnership charter or bylaws.

Any partnership participant shall be entitled to free access to the documents and information specified above, as well as to financial reports and related opinions of the audit commission (auditor) and auditor for the reporting period which shall be available in the office of the partnership executive body from the date of the notice of the general meeting but no later than fifteen days prior to the meeting. Besides, any partnership participant shall be enabled to make a free copy of any document rendered for examination.

Financial reports and relevant opinions of the audit commission (auditor) and/or auditor for the period of three preceding years shall be kept by the executive body of the partnership and rendered for examination to any partnership participant at any time. Upon request of any participant of the partnership, certified excerpts of the specified documents shall be given to him.

5. The charter of a limited liability partnership with the number of participants less than seven may provide terms rather than those specified in this article and article 47.5 of this Law.

ARTICLE 47. PROCEDURE FOR CONDUCTING A GENERAL MEETING OF PARTICIPANTS OF A LIMITED LIABILITY PARTNERSHIP

1. Regulations of a general meeting of participants of a limited liability partnership shall be determined by this Law, the partnership charter, rules, other documents governing the internal partnership activity or by a general meeting directly.
2. The arrived participants of the limited liability partnership and representatives shall be registered before the opening of a general meeting. The representatives shall produce their proper powers (paragraphs 3 and 4 of article 42 of this Law). An unregistered participant (or his representative) shall not be taken into account in the determination of quorum and may not vote.
3. The general meeting of partnership participants shall be opened at the fixed time provided that data of the arrived registered participants and their representatives give a sufficient basis to assume the presence of the competent quorum.

The meeting shall not be opened prior to the fixed time except that all partnership participants or representatives have already been registered, notified and raised no objection against shifting the time of opening the meeting.

4. A general meeting of participants of a limited liability partnership shall be recognized as competent and the requirements to quorum shall be recognized as complied with in the event that the aggregate votes of all the participants present in person or represented by proxy are more than a half of the total number of votes. When a decision on the item included into the agenda is to be taken by qualified majority or unanimously, the meeting shall be competent to take a decision in the event that the aggregate votes of all the participants present in person or represented by proxy are more than two thirds of the total number of votes.
5. In the absence of the quorum, the general meeting of participants of the limited liability partnership shall be adjourned until no later than forty five days from the day of the first convocation and be subject to the rules established by article 46 of this Law.

The adjourned meeting shall be competent irrespective of the numbers of votes the participants present in person or represented by proxy have. In the event the aggregate votes of the participants present in person or represented by proxy are less than a half of the total number of votes such meeting may take decisions only on those items that do not require the qualified majority or unanimity.

6. A general meeting of participants of the limited liability partnership shall be opened by the first leader of the executive body or his deputy. A meeting convened by the supervisory board, audit commission (auditor) or partnership participants (article 46.2 of this Law) shall be opened respectively by the chairman of the supervisory board, chairman of the audit commission (auditor) or their deputies or one of the partnership participants which have convened the meeting.

A general meeting convened by the liquidation commission (the liquidator) shall be opened by the chairman of the liquidation commission (the receiver) or a person substituting him.

7. A person opening the general meeting shall conduct election of a presiding officer and secretary of the general meeting. Unless the partnership charter provides otherwise, in the course of election of the presiding officer and secretary of the general meeting each participant of the meeting shall have one vote (irrespective of the amount of his share in the authorized capital) but the decision shall be taken by simple majority of the participants present.

No member of the executive body or audit commission (auditor) of the partnership shall preside at the general meeting except that all participants present at the meeting are members of the executive body or audit commission (auditor) of the partnership.

8. The secretary of the general meeting shall be responsible for keeping record of the meeting.

The record shall be signed by the presiding officer and secretary of the meeting.

The records of all general meetings shall be filed into the record book which shall be kept by the executive body of the partnership and be anytime available for examination by any participant of the partnership. Upon request of any participant of the partnership, certified excerpts of the record book shall be given to him.

9. Before discussion of the items included into the agenda, the general meeting shall state the quorum. Non-compliance with this requirement shall entail invalidity of any decision taken before the quorum is stated.

When voting on items specified in subparagraphs 1, 4, 7, 9, 10 of paragraph 2 of article 43 of this Law, as well as otherwise is provided by the partnership charter, rules or other documents governing the partnership internal activity, the quorum shall be stated immediately before the voting.

ARTICLE 48. PROCEDURE FOR TAKING DECISIONS BY A GENERAL MEETING OF PARTICIPANTS OF A LIMITED LIABILITY PARTNERSHIP

1. A general meeting of participants of a limited liability partnership may take decisions only on the items the participants were notified of as provided by paragraphs 1 and 2 of article 46 of this Law. Besides, the items included into the general meeting agenda after demand of partnership participants under article 46.2 of this Law shall be considered as included into the agenda even though the body or person convened the meeting failed to notify partnership participants of the changes to the general meeting agenda.
2. Decisions on the items specified in subparagraphs 1, 7, 9, 10 of article 43.2 of this Law as well as on other items determined by the limited liability partnership charter shall be taken by the qualified majority of three fourth votes of the participants present in person or represented by proxy unless the charter requires a greater number of votes or unanimity.

In taking decision respecting article 43.2.9 hereof, the participant whose share is being redeemed in the compulsory order shall not participate in the voting and the number of votes he has shall not be taken into account.

Other decisions shall be taken by the simple majority of the partnership participants present in person or represented by proxy unless the partnership charter requires a greater number of votes or unanimity.

3. Decisions at a general meeting of participants of the limited liability partnership shall be taken by the open voting unless the charter, rules or other documents of the partnership governing its internal activity provide for the secret one.

Decisions at the general meeting shall be taken by the secret voting when partnership participants, having one fifth of the total number of votes, require so.

The procedure for the secret voting shall ensure the exact count of votes and reliability of the results.

ARTICLE 49. GENERAL MEETING OF PARTICIPANTS OF A LIMITED LIABILITY PARTNERSHIP BY ABSENTEE BALLOT

1. In the events provided by the limited liability partnership charter and upon the positive consent of the partnership participants the aggregate votes whereof are more than three fourth of the total number of votes, a general meeting may be held by absentee ballot through the questionnaires, letters, facsimile or electronic messages or using other communication means available to all participants and ensuring the authenticity of the messages sent and received.

A general meeting by absentee ballot may not take decisions on the items specified in subparagraphs 1, 7, 8, 9, 10 of article 43.2 of this Law.

2. The provisions of paragraphs 2, 3, 5, 6, 7, 9 of article 47, article 48.3 and paragraphs 1, 2 and 3 of article 46 of this Law, with respect to the terms they provide, shall not apply to a general meeting of participants of a limited liability partnership by absentee ballot.
3. A general meeting of participants of a limited liability partnership by absentee ballot shall be conducted through a procedure ensuring that all participants have been notified of the suggested agenda and draft decisions on its items, enabled to learn the necessary documents, to make suggestions to the agenda and require to include some items into it, as well as all that the participants have been informed of the changes to the agenda and of opinions (or speeches) of other participants with respect to the items to be discussed.

ARTICLE 50. APPEAL OF A DECISION OF A GENERAL MEETING OF A LIMITED LIABILITY PARTNERSHIP

A decision of a general meeting of participants of a limited liability partnership taken in the violation of the procedure for conducting general meetings and taking decisions thereat, established by this Law, the charter or rules and other documents governing the internal partnership activity, as well as a decision of a general meeting which is conflict with law or the partnership charter, including the same which violates rights of a partnership participant, may be judicially recognized as invalid, in whole or in part, upon a petition of a partnership participant who did not vote or voted negatively on the decision in dispute. Such petition may be filed within six months from the day the participant has known or should have known of the taken decision, or, in the event the participant was present at the general meeting, - within six months from the day the decision is taken at the general meeting.

ARTICLE 51. EXECUTIVE BODY OF A LIMITED LIABILITY PARTNERSHIP

1. Unless the charter of a limited liability partnership provides for the collective executive body (direction, board of directors or the like), the day-to-day management of the partnership and managing its affairs shall be performed by the sole executive body (director, manager).

The provisions of this Law on executive body members except for those directly related to collective executive bodies shall apply to the sole executive body.

2. A member of the executive body shall act in the partnership interests in good faith and reasonably in the course of performing his duties.
3. Members of the executive body shall be elected by a general meeting for a term not exceeding five years.

4. Only an individual may act as a member of the executive body. He should not be a partnership participant.

ARTICLE 52. COMPETENCE OF THE EXECUTIVE BODY OF A LIMITED LIABILITY PARTNERSHIP

1. All issues of ensuring the partnership activity, which do not pertain to the general meeting competence and determined by this Law, the charter or rules and other documents passed by a general meeting, shall pertain to the competence of the executive body of a partnership.

The competence of the partnership executive body shall also cover the powers of a general meeting which do not pertain to the exclusive competence of the latter and delegated to the executive body under article 43.3 hereof.

2. In relations with a third party, the limited liability partnership may not refer to the restrictions it established respecting the powers of its executive body. However, the limited liability partnership may impeach a transaction closed by its executive body and a third party in violation of the established restrictions in the event the partnership has proved the fact the third party knew of such restrictions at the moment of closing the transaction.
3. After demand of any partnership participant, members of the executive body of the limited liability partnership may be made accountable for damages they caused to the partnership. Besides, they shall be jointly and severally liable for the damages caused by their improper joint management of the partnership.
4. Members of the executive body of the limited liability partnership may jointly and severally bear subsidiary liability with the partnership before a third party for damages caused to the third party as a result of insolvency (bankruptcy) of the partnership entailed by the improper management of the partnership conducted by the members of the executive body.

ARTICLE 53. SOLE EXECUTIVE BODY OF A LIMITED LIABILITY PARTNERSHIP

1. The sole executive body of a limited liability partnership (director, manager and the like) shall do the following:
 - 1) act on behalf of the partnerships without proxy;
 - 2) produce proxies to represent the partnership, including those of substitution;
 - 3) in respect of partnership personnel - make orders on appointment to office, re-appointment or dismissal; determine the labor payment systems; fix the amounts of official salaries, personal allowances and bonuses, provide stimulation and impose authority punishments;
 - 4) execute other powers not reckoned by this Law or the partnership charter to the competence of a general meeting of participants or supervisory bodies, as well as powers delegated to him by a general meeting of partnership participants (article 43.3 of this Law).
2. The order for the sole executive body to act and take decisions shall be determined by the partnership charter, as well as by rules and other documents passed by a general meeting of participants and by the sole executive body itself.
3. In the event the partnership charter entrusts managing the partnership affairs simultaneously to two or several directors (managers) not united into a collective executive body, each of such directors

(managers or the like) shall be entitled to act on behalf of the partnership without proxy. The provisions of this article shall apply to such directors (managers or the like).

ARTICLE 54. COLLECTIVE EXECUTIVE BODY OF A LIMITED LIABILITY PARTNERSHIP

1. In the event the limited liability partnership charter provides for the collective executive body (direction, board of directors and so on), such body shall be elected by a general meeting of partnership participants with no more than seven members unless legislative acts or the partnership charter provide otherwise.
2. A leader of the collective executive body of the limited liability partnership shall be elected by a general meeting of the partnership unless the partnership charter provides for his election by the collective body itself.
3. The leader of the collective executive body shall ensure the operation of this body and preside at its meetings. He shall have the rights which under subparagraphs 1-3 of paragraph 1 of article 53 of this Law vested to the sole executive body of a partnership.
4. The order for the collective executive body to act and take decisions shall be determined by the partnership charter, as well as by rules and other documents passed by a general meeting of participants and by the collective executive body itself.

ARTICLE 55. CONFLICT OF INTEREST OF MEMBERS OF THE EXECUTIVE BODY AND THE LIMITED LIABILITY PARTNERSHIP

1. Members of the executive body of a limited liability partnership shall be prohibited to do the following:
 - 1) without the consent of a general meeting, to close transactions with the partnership for the purpose of obtaining from the partnership any pecuniary advantage (including deeds of gift, contracts of debt, free use, sales and so on);
 - 2) obtain a commission charge from both the partnerships or a third party for transactions closed between the partnership and third party;
 - 3) act on behalf or in the interests of a third party in their relations with the partnership;
 - 4) conduct entrepreneurial activity competing with the partnership activity.

The partnership charter may provide other restrictions for members of its executive body.

2. The restrictions provided by subparagraphs 1 - 3 of paragraph 1 of this article shall also apply to the spouse, all relatives on the descending and ascending lines, native brothers and sisters of a member of the executive body of a limited liability partnership.
3. Any participant of a limited liability partnership shall be entitled to apply to court for indemnifying the partnership by the members of the executive body of losses caused to the partnership as a result of infringement by them or by heir relatives, specified in paragraph 2 of this article, of the restrictions established by paragraph 1 of this article or respectively by subparagraphs 1- 3 of that paragraph.

ARTICLE 56. DELEGATION OF POWERS OF THE EXECUTIVE BODIES OF A LIMITED LIABILITY PARTNERSHIP TO A TRUST MANAGER

1. Under an agreement, a limited liability partnership may delegate powers of its executive bodies under the trust management of other commercial organization or an individual entrepreneur (trust manager) in case the partnership charter so provides. In the events of such delegation, the requirements of this Law on the executive body of a partnership shall apply to the trust manager (articles 52-55 hereof).
2. Under paragraphs 3 and 4 of article 52 of this Law, the trust manager shall be liable for any losses caused by improper trust management to the partnership or to a third party, as if such trust manager is the executive body of the partnership.

The liability of the trust manager for losses caused by the improper partnership management shall not free from liability the members of the executive body if such liability has grounds provided by paragraphs 3 and 4 of article 52 of this Law.

ARTICLE 57. SUPERVISORY BOARD OF A LIMITED LIABILITY PARTNERSHIP

1. The partnership charter may provide for the formation of the supervisory board to control activity of the executive body of the partnership.
2. In case the limited liability partnership charter does not provide for the election of the audit commission (auditor), the supervisory board shall exercise any right the audit commission is vested under this Law.
3. A member of the partnership supervisory board shall be elected by a general meeting for a term not exceeding five years.
4. Only an individual may act as a member of the supervisory board. Such individual may not simultaneously be a member of the executive body of the partnership.
5. The order for the partnership supervisory board to act and take decisions shall be determined by the partnership charter, rules and other documents passed by a general meeting.

When voting in the supervisory board, each its member shall have one vote.

6. Members of the supervisory board of the limited liability partnership shall be liable for losses caused to the partnership or a third party by the improper control of the supervisory board over the executive body activity, as provided by paragraphs 3 and 4 of article 52 of this Law.

ARTICLE 58. AUDIT COMMISSION (AUDITOR) OF A LIMITED LIABILITY PARTNERSHIP

1. For the purpose of control over the financial and economic activity of the executive body of a limited liability partnership, an audit commission may be formed from the number of partnership participants or their representatives.

The audit commission shall have no more than five members unless the partnership charter provides for a greater number of its members.

Administration of the audit commission responsibilities may be entrusted to a partnership participant or his representative as a sole auditor.

2. The audit commission or sole auditor of the limited liability partnership shall be elected by a general meeting for a term determined by the partnership charter and not exceeding five years.

3. No member of the executive body of the limited liability partnership shall simultaneously be a member of the audit commission (auditor).
4. The audit commission (auditor) shall be entitled to audit at any time the financial and economic activity of the partnership executive body. For this purpose, the audit commission (auditor) shall have the right of unconditional access to the entire partnership documentation. After demand of the audit commission (auditor), members of the executive body shall give required explanations in the oral or written form.
5. The audit commission (auditor) shall conduct the mandatory audit of the annual financial accounts of the limited liability partnership before the accounts are approved by a general meeting of participants. The general meeting shall not be entitled to approve the annual financial accounts without a prior opinion of the audit commission (auditor) or auditor (article 59 of this Law).
6. The order of work of the audit commission (auditor) of the limited liability partnership shall be determined by the charter, rules and other documents governing the internal partnership activity.

ARTICLE 59. EXTERNAL AUDIT OF A LIMITED LIABILITY PARTNERSHIP

1. As provided by the charter, a limited liability partnership shall be entitled to engage a professional auditor, who has no unity of valuable interest with the partnership, members of its executive body, supervisory board or participants, for the audit and validation of annual financial accounts and current state of affairs of the partnership (external audit).
2. The audit of annual financial accounts shall be compulsory for any limited liability partnership the owners' equity whereof is more than one hundred minimal amounts of the authorized capital of a limited liability partnership (article 23.2 of this Law).
3. Any participant of a limited liability partnership shall be entitled to require that the financial accounts of the partnership are audited at his own expense.
4. In the event the executive body of a limited liability partnership fails to audit the financial accounts of the partnership where such audit is compulsory or demanded by a participant of the partnership, court may take a decision to conduct the audit upon a petition of any interested person or the participant.

ARTICLE 60. PUBLIC FINANCIAL ACCOUNTS OF A LIMITED LIABILITY PARTNERSHIP

A limited liability partnership the owners' equity of which is more than one hundred minimal amounts of the authorized capital of a limited liability partnership (article 23.2 of this Law) shall bring out for public knowledge its financial accounts for a respective year. The partnership may be obliged to bring out its financial accounts in other events specified in legislative acts.

CHAPTER 6. REORGANIZATION AND LIQUIDATION OF A LIMITED LIABILITY PARTNERSHIP

ARTICLE 61. REORGANIZATION OF A LIMITED LIABILITY PARTNERSHIP

1. Upon decision of a general meeting of participants, a limited liability partnership may be voluntarily reorganized (through consolidation, merger, separation, severance, transformation).

Alienation of a share or other changes to the partnership membership shall not be a kind of partnership reorganization.

2. In the events specified by legislative acts a limited liability partnership may be reorganized through its separation or severance from its composition of one or several partnerships upon decision of authorized state bodies or court.
3. In the events specified by legislative acts a limited liability partnership may be reorganized through consolidation or merger only upon the consent of authorized state bodies.
4. A limited liability partnership may be reorganized in the form combining different types of reorganization (consolidation combined with severance of a newly formed partnership from one of the consolidated partnerships; separation combined with partial merger; severance combined with partial merger and so on), on the condition of following requirements to each of combining types of reorganization.
5. The property of a reorganized partnership shall be transferred to its assignee at the moment of the registration of the latter unless otherwise is provided by legislative acts or the decision on reorganization.

ARTICLE 62. CONSOLIDATION AND MERGER OF LIMITED LIABILITY PARTNERSHIPS

1. Consolidation of two or several limited liability partnerships shall be achieved through the full consolidation of their property. As a result of the consolidation, a new partnership is formed and the consolidating partnerships terminate their existence. Besides, all rights and obligations of each of the consolidating partnerships shall be acquired by the newly formed partnership in accordance with the transfer deed.
2. Merger of one or several limited liability partnerships and another limited liability partnership shall be achieved through the incorporation of the property of the partnerships being absorbed into the property of the absorbing partnership. Besides, the partnership being absorbed shall terminate their existence and the absorbing partnership shall acquire their rights and obligations under the transfer deed and its charter shall be accordingly amended.
3. The executive bodies of the consolidating or merging limited liability partnership shall draft agreements on the consolidation or merger and put for consideration of general meetings of their respective partnerships the questions of the consolidation or merger and of approval of the agreements.

The approved agreement on the consolidation or merger shall be signed by duly authorized executive bodies of the partnerships.

The agreement on the consolidation or merger shall specify the firm names, sites and addresses of each consolidating or merging partnership, general data of their balance-sheets as well as provide the procedure for and terms of the consolidation or merger.

4. Each of the consolidating or merging limited liability partnerships shall, within the period of two month from the date the general meeting of its participants took a decision on the consolidation or merger, send to all its creditors a written notice of the consolidation or merger and bring out an appropriate announcement in official publications. The notice (or announcement) shall be accompanied with information on other consolidating or merging partnerships which information is described in paragraph 3 of this article.

Within two month form the day the notice is received, partnership creditors shall be entitled to claim that the partnership provides additional guarantees or early terminates or satisfies the respective obligations or indemnifies damages. The claims shall be sent to the partnership in writing and their copies may be submitted to the body that has effected the state registration of the partnership.

5. Each of the consolidating or merging limited liability partnerships shall, from the date the decision on the consolidation or merger is taken, inform the creditors on obligations arising after the decision is taken.

Under the decision on the consolidation or merger participants of the consolidating or merging partnerships shall draft and sign at the constituent assembly a constituent agreement, and, in the event of consolidation, approve the charter of the newly formed partnership and elect executive and other bodies of the partnership.

ARTICLE 63. SEPARATION OR SEVERANCE OF A LIMITED LIABILITY PARTNERSHIP

1. The separation of a limited liability partnership shall be achieved through the division of this partnership property among two or several newly formed limited liability partnerships. Besides, the rights and obligations shall be passed to the newly formed partnerships in accordance with the separation balance sheet.
2. The severance of one or several limited liability partnerships from a limited liability partnership shall be achieved through the divestiture of a part of the reorganized partnership property and transfer of it to the one or several newly formed partnerships. Besides, the newly formed partnerships shall acquire a part of the rights and obligations of the reorganized partnership in accordance with the separation balance sheet.
3. The executive body of the reorganized limited liability partnership shall draft a schedule of the separation or severance and chapters of the newly formed partnerships and put for consideration of a general meeting of participants the questions of the separation or severance of the partnership and of the approval of the separation or severance schedule, charters of the newly formed partnerships and the separation balance sheet, and of the election of the executive and other bodies of the newly formed partnerships.
4. Unless the partnership charter provides otherwise, in the separation or severance of the limited liability partnership each participant shall be entitled to receive a share in the authorized capital of each of the newly formed partnerships which share shall be equal to the share of the participant in the authorized capital of the reorganized partnership.
5. After the date the general meeting took the decision on the separation or severance, the limited liability partnership shall inform thereof any creditor on obligations arising after the decision is taken.
6. Within the period of two months after the date the general meeting took the decision on the separation or severance, the limited liability partnership shall sent to all its creditors a written notice of the separation or severance and place an appropriate announcement in official publications. The notice (announcement) shall be accompanied with the separation balance-sheet and specification of the firm name, site and address of each of the newly formed partnerships.
7. Within two month form the day the notice is received (or the announcement is published), creditors of the reorganized limited liability partnership shall be entitled to claim that the partnership early terminates or satisfies the respective obligations and indemnifies damages. The claims shall be sent to

the partnership in writing and their copies may be submitted to the body that has effected the state registration of the partnership.

8. The limited liability partnerships formed as a result of the separation or severance of another limited liability partnership shall be jointly and severally liable for the obligations of the latter within the period of one year from the moment the new partnerships are registered.

ARTICLE 64. CONSEQUENCES OF FAILURE TO IMPLEMENT A DECISION OF THE AUTHORIZED STATE BODY OR COURT ON THE COMPULSORY SEPARATION OR SEVERANCE OF A LIMITED LIABILITY PARTNERSHIP

1. In the event the executive bodies of a limited liability partnership, empowered to carry out the separation or severance in the course of the compulsory reorganization upon decision of the authorized state body or court, fail to carry out the separation or severance of the partnership within the period fixed by the decision of the authorized state body or court, the authorized state body or court may appoint a trust manager with respect to the partnership property and entrust him to carry out the separation or severance of that partnership at the expense of the property of the reorganized partnership.
2. The trust manager shall acquire the powers to manage the limited liability partnership from the moment he is appointed.
3. The trust manager shall appear in court on behalf of the limited liability partnership, draft the separation balance sheet and submit it for approval to the court along with the constituent documents of the partnerships newly formed as a result of the separation or severance. Said documents approved by the court shall be the ground for the state registration of the newly formed partnerships.

ARTICLE 65. TRANSFORMATION OF A LIMITED LIABILITY PARTNERSHIP

1. A limited liability partnership may be transformed into another economic partnership or production co-operative which shall acquire all rights and obligations of the transformed partnership under the transfer deed.
2. The executive body of the transformed partnership shall develop a transformation schedule, determining the procedure for and conditions of the transformation, and a draft charter of the newly formed legal entity and put for consideration of a general meeting of participants the questions of the transformation of the partnership and of the approval of the transformation schedule and charter, and of the election of the executive and other bodies of the newly formed partnership or production co-operative.

ARTICLE 66. REDEMPTION OF SHARES FROM PARTICIPANTS WHO DID NOT VOTE AFFIRMATIVELY ON THE REORGANIZATION OF THE LIMITED LIABILITY PARTNERSHIP

1. Those participants of a limited liability partnership who were not present at the general meeting of participants where the decision on the reorganization of the partnership has been taken or who voted negatively on the reorganization shall be entitled to demand that participants voted positively on the reorganization redeem their shares.
2. A share must have been redeemed within one month from the date the demand is made. The participants who voted affirmatively on the reorganization of the limited liability partnership shall redeem the share in portions ratable to their respective shares in the authorized capital of the

partnership unless otherwise is stipulated in the agreement among them ensuring the full redemption of the share of the participant demanding the redemption. A price of the redemption shall be determined under the provisions of article 32 of this Law.

3. The participant demanding the redemption may send a copy of the demand to the body effecting registration under article 67 hereof. In the event the specified body receives the copy, registration shall be effected provided, however, that the participant has shown that the redemption is achieved or that he takes no exception against the registration.

ARTICLE 67. STATE REGISTRATION OF A LIMITED LIABILITY PARTNERSHIP FORMED AS A RESULT OF REORGANIZATION

1. The state registration of a limited liability partnership formed as a result of the reorganization shall be effected pursuant to the legal entity registration rules established by legislative acts.
2. In case of consolidation, the state registration shall be effected by a registration body at the site of the newly formed partnership.

In case of merger, the state registration shall be effected by a registration body at the site of the absorbing partnership.

In case of separation or severance, the state registration shall be effected by a registration body at the site of the reorganized partnership. The registration body shall forward the data on the new partnerships to the bodies carrying out the state registration of legal entities at the sites of the newly formed partnerships.

In case of transformation, the state registration shall be effected at the site of the transformed partnership.

3. The state registration of a limited liability partnership formed as a result of reorganization shall be effected by a state body, carrying out the state registration of legal entities, upon expiration of the term the creditors may file their claims to the partnerships involved in the reorganization (articles 62.4 and 63.7 hereof). In the event the body carrying out the state registration of legal entities receives copies of the filed claims, the newly formed partnership shall be registered provided that the satisfaction of the claims has been shown or the creditors filed the claims take no exception against the reorganization.
4. The reorganization shall be recognized as not achieved where, within one year from the date the general meeting of participants of the last of the limited liability partnerships involved in the reorganization took decision on the reorganization, an application for the state registration is not submitted or the required evidence is not presented (paragraph 3 of this article).
5. The limited liability partnerships involved in the reorganization except that the reorganization is carried out in the form of merger or severance shall terminate their existence from the moment of the state registration of newly formed partnerships and the respective entry shall be eliminated out of the State Registry of Legal Entities.

An absorbed partnership shall terminate its existence from the moment the merger is registered and the respective entry shall be eliminated out of the State Registry of Legal Entities.

6. Where after the consolidation or merger the number of participants of a newly formed limited liability partnership exceeds the limit fixed by article 9 hereof, the consequences provided by article 69.2 of

this Law may apply to such partnership only upon expiration of one year from the moment of its state registration.

ARTICLE 68. LIQUIDATION OF A LIMITED LIABILITY PARTNERSHIP

1. A limited liability partnership may be liquidated on decision of a general meeting of its participants.
2. On court decision, a limited liability partnership may be liquidated in the following events:
 - 1) bankruptcy;
 - 2) recognition of its state registration as invalid in connection with its formation in the incurable violation of law;
 - 3) doing business without a proper permission (license) or doing business forbidden by legislative acts or doing business with repeated or rough breaking infringement of legislation;
 - 4) in other events specified by legislative acts.
3. In the event of liquidation of a legal entity which is the sole participant of a limited liability partnership the latter shall be subject to liquidation. Besides, the liquidation commission (liquidator) which is carrying out the liquidation of the partnership founder shall apply to court for the appointment of a liquidation commission (liquidator) to liquidate the partnership.
4. A limited liability partnership may be liquidated on grounds rather than those specified hereby, provided, that such other grounds are established by the Civil Code of the Republic of Kazakhstan or by other legislative acts enacted thereunder.
5. Unless legislative acts provide otherwise, interested persons may apply to court for the liquidation of a limited liability partnership on the grounds specified in paragraph 2 of this article.
6. A court decision on the liquidation of a limited liability partnership may oblige to conduct the liquidation procedure the partnership itself, a body authorized by the partnership, a body authorized to the liquidation by the constituent documents of the partnership or other body (or person) appointed by court.
7. The liquidation commission or body authorized to the liquidation by court shall be a trust manager of the partnership.

The trust manager shall liquidate the partnership at the expense of the partnership property.

ARTICLE 69. TERMINATION OF A LIMITED LIABILITY PARTNERSHIP

1. Besides the grounds specified in articles 61 and 68 hereof, the following events may be the grounds for termination of a limited liability partnership:
 - 1) the number of participants exceeds fifty;
 - 2) the amount of the authorized capital has become lower than the minimal amount specified by article 23.2 of this Law as a result of reducing the authorized capital;
 - 3) the participants fail to form the authorized capital during the term fixed by article 24.2 of this Law.
2. In the event the number of partnership participants exceeds fifty, the partnership shall be subject to the separation or severance or transformation into another partnership or production co-operative within one year, and when this term expires - to the judicial liquidation upon an application of the body that

has effected the state registration of the partnership or of other interested person unless the number of participants is decreased by fifty.

3. In the event the authorized capital is reduced and its amount has become less than the minimal amount provided by article 23.2 of this Law or the participants fail to form the partnership authorized capital within the term fixed by article 24.2 of this Law, the participants shall make their respective additional contributions to the authorized capital within one year, otherwise, the partnership shall be subject to the liquidation upon court decision on an application of interested persons.

N. Nazarbayev

President of the Republic of Kazakhstan

Almaty, _____ 1997.

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