
1. For profit companies

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Terms

1. State enterprise – государственное предприятие
 2. Business Partnerships – Хозяйственные товарищества
 3. General Partnership – Полное товарищество
 4. Limited Partnership – Командитное товарищество
 5. Limited Liability Partnership (LLP) – ТОО
 6. Corporation = Joint Stock Company – АО
 7. General Partner – Полный товарищ
 8. Limited partner – Вкладчик
 9. Partner – участник
 10. Interest - доля
-

Plan

- Why is it important to know forms/types of Legal Entities?
 1. Types of Legal Entities
 2. Joint & Several Liability **vs.** Associate Liability
 3. Business Partnerships **vs.** Corporation **vs.** Cooperative



Why is it important?



Example

Let's assume that National Welfare Fund “**Samruk-Kazyna**” contracted with US company **Maple** to buy:

- 100, 000 computers
- at 200 UK pounds each set.

Let's assume that **SK** failed to pay **20mln.** pounds under the contract, and **Maple** is suing for damages.

Maple insists that it produced too many computers, and soon they would become too outdated.



Example

Let's assume that **SK** alleges that **Olga** ex-managing director did not have the right to sign the contract with **Maple's** managing director **John**.

Therefore, the contract is invalid under **art. 37** of the Civil Code.

Is it right?

Where do we look to find it out?



Steps to answer question:

“Did Olga have the right to sign the contract?”

1. Look at the **Charter**: What **legal organization form** does it have? => it is **JSC**
2. Look at the **Civil Code** (art. 92): What **Statutory** (обязательные) **Governance Bodies** does JSC have? => it has (1) General Meeting of Shareholders, (2) Board of directors, and (3) Executive Body
3. Look at the **Charter**: What position represents **Executive body**? => **Management Board**
4. Look at the **Corporate documents**: Is Olga a **member** of the Management Board? => **No, i.e., she did not have the right to sign the contract under art. 37, Civil Code.**



Договор поставки товаров

АО «Фонд Национального Благосостояния «Самрук-Казына», именуемое в дальнейшем «Покупатель», с одной стороны, в лице **управляющего директора** Ивановой Ольги Павловны, действующей на основании **Доверенности** № 234-21 от 4 января 2010, и

Marle,plc. в лице **управляющего директора** Джона Харта, действующего на основании **Устава**, именуемая в дальнейшем «Продавец», с другой стороны, заключили настоящий договор о нижеследующем:



Договор поставки товаров

Power of attorney
(доверенность) (Olga)

vs.

Charter
(John Hart)



WHY IS IT SO?

Example

What does term
“National Fund”
mean?

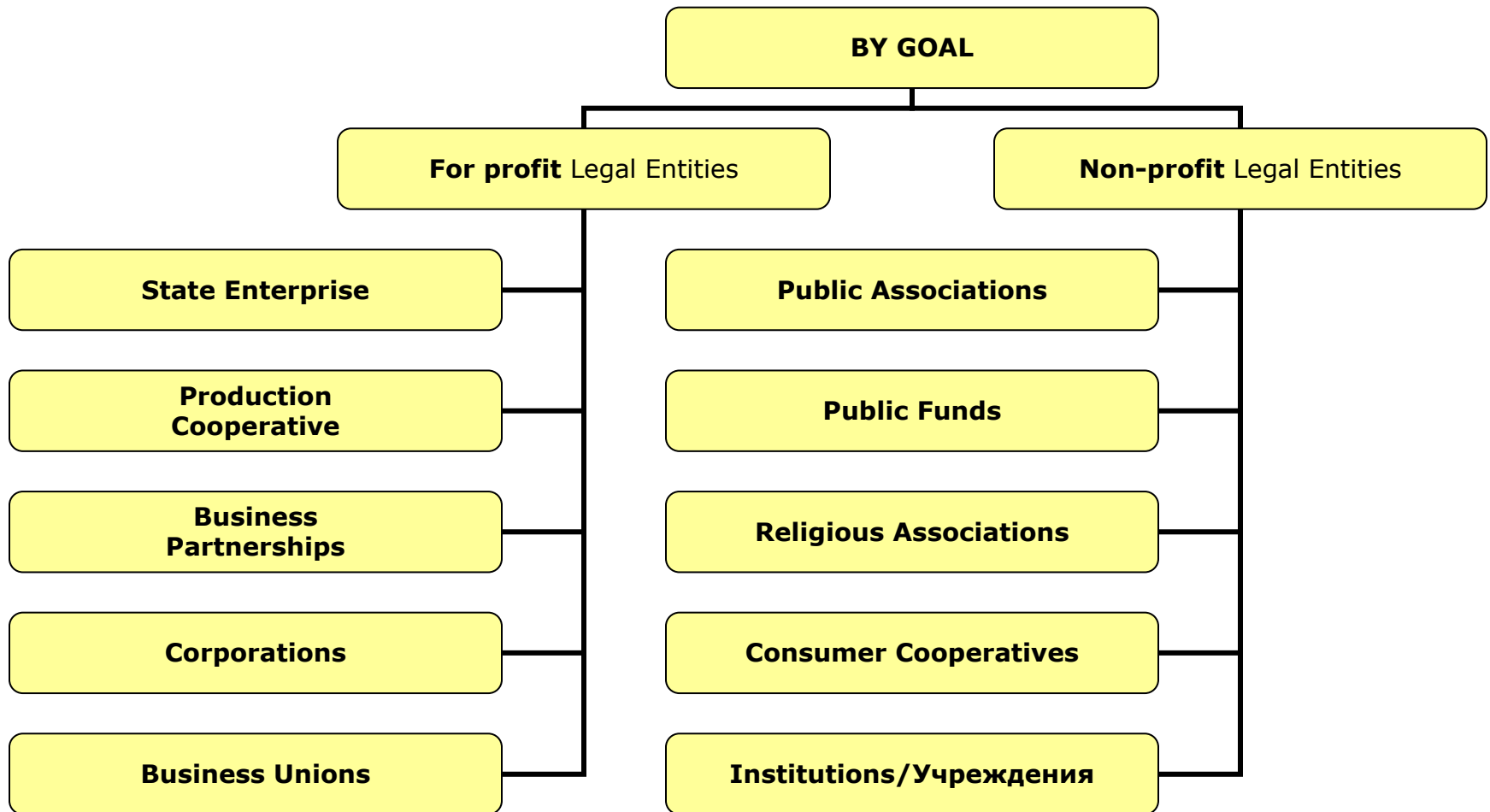


Example

What type of
legal entity is it?



1. Types of Legal Entities

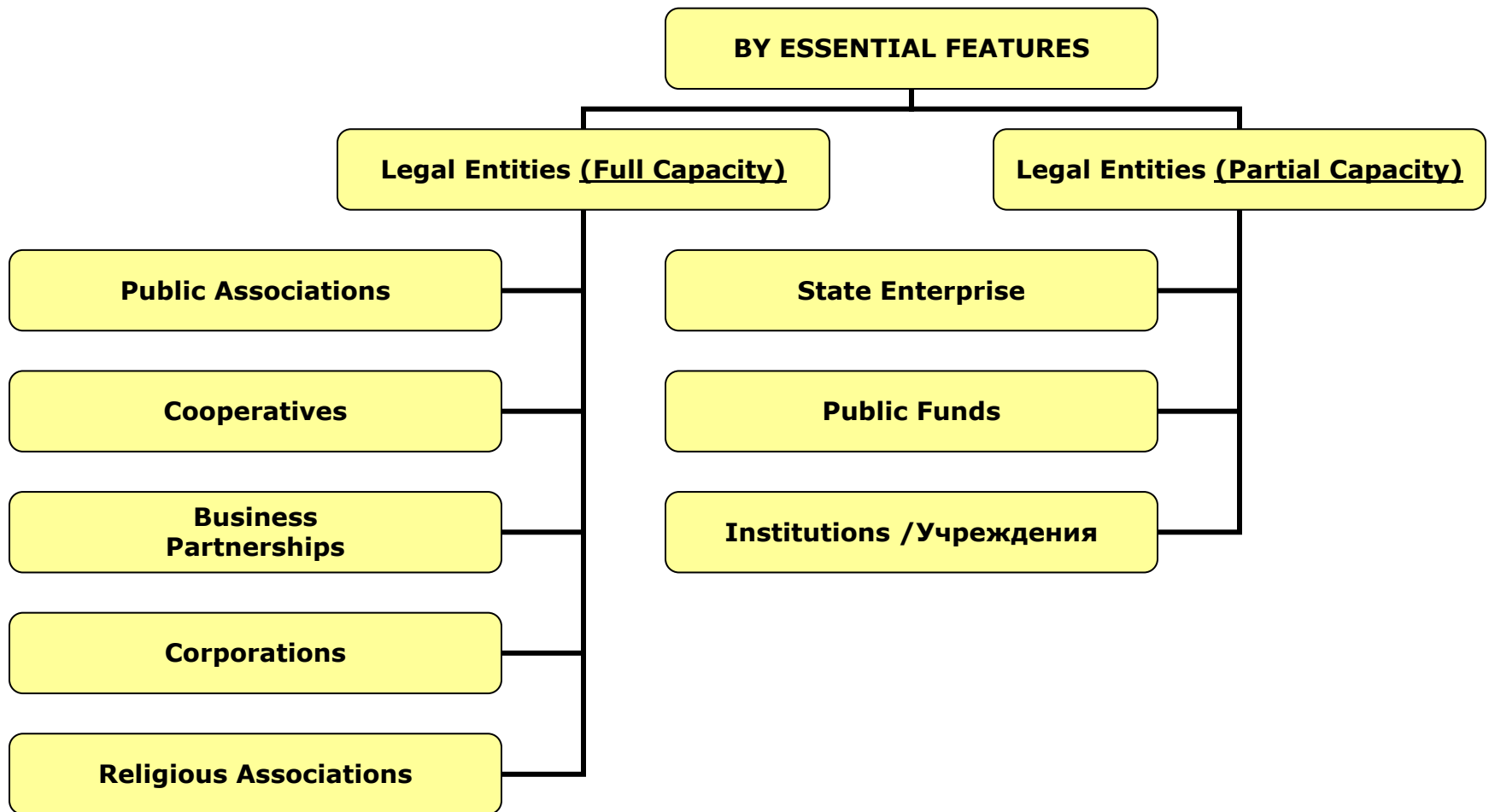


1. Types of Legal Entities

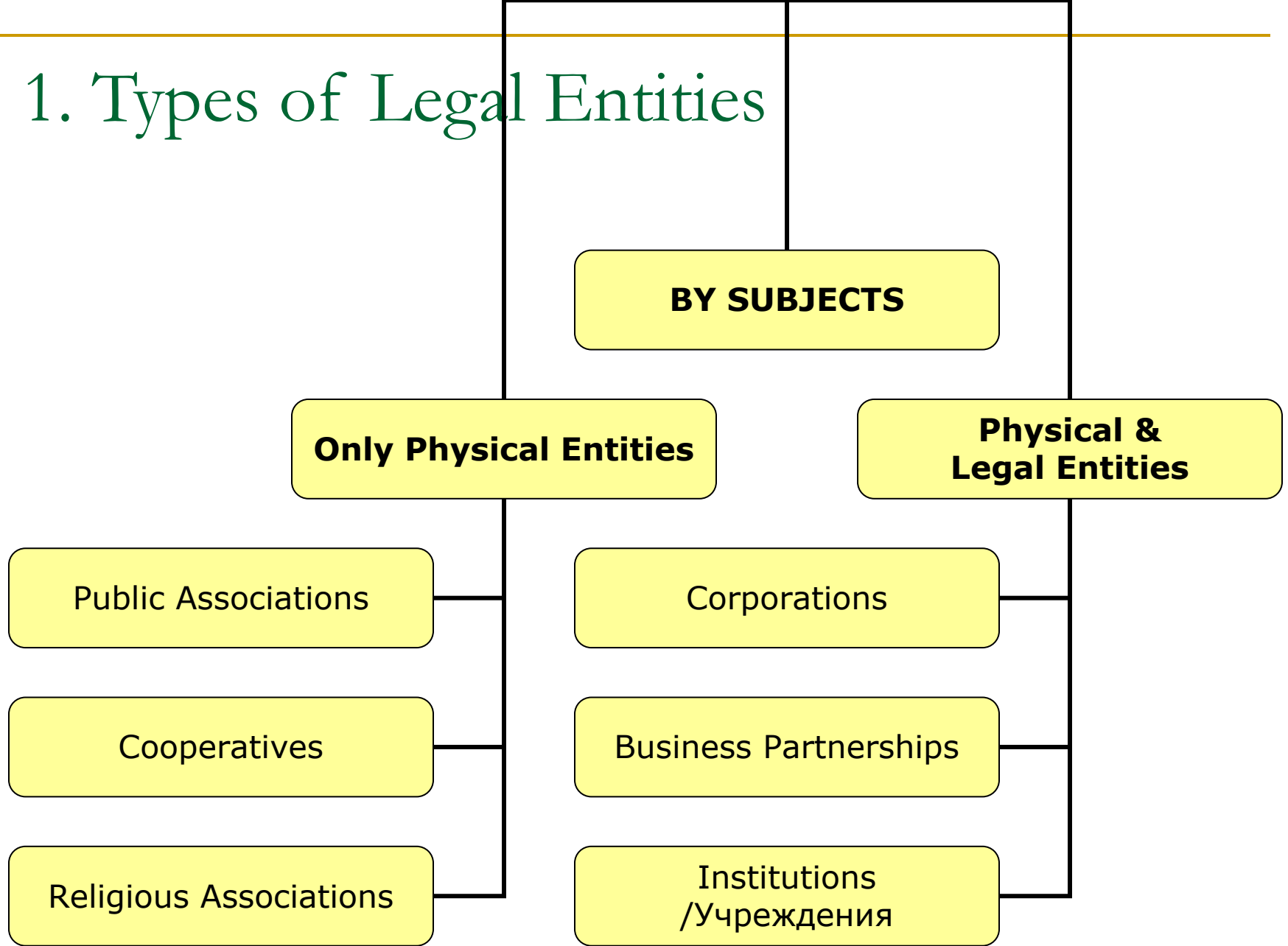
Is
Samruk Kazyna
a state enterprise?



1. Types of Legal Entities



1. Types of Legal Entities



Important notice

Statutory
Governance Structure
for companies!*



*обязательная структура управления

Example

**Managing director of
KazMunaiGas.**

Does he have the right
to sign contracts?
art. 37 & _



*обязательная структура управления

2. Joint and several liability vs. Associate Liability



Example

Suretyship vs. Guarantee

Let's assume that **Masha** guaranteed her friend **Irina's** loan of KZT 10 mln. to TBA bank by:

- Guarantee.
- Suretyship.



Example

Suretyship vs. Guarantee

Irina & Masha have lost their jobs, and **Irina** does not have the money to pay back the loan.

Irina & Masha have only apartments to secure the debt.

- **Irina's** apartment – KZT **9** mln; and
- **Masha** – KZT **4** mln.

Irina



Masha



Example

What is Masha's liability?

- **Suretyship?**
- **Guarantee?**



Example

What is Masha's liability?

- **Suretyship** – 1 mln.
- **Guarantee** – 10 mln.



2. Legal Entity = Union

Legal Entity = Union of

- People = **Partnerships**
- Capital = **Corporation**
- Work = **Cooperative**



3. Business Partnerships vs. Corporation vs. Cooperative



3. Business Partnerships vs. Corporation vs. Cooperative

What types of
Business Partnerships
are you aware of?



3. Business Partnerships vs. Corporation vs. Cooperative

- A. General Partnership
- B. Limited Partnership
- C. Limited Liability Partnership
- D. Additional Liability Partnerships

