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# 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



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**Maple** insists that it produced too many computers, and soon they would become too outdated.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





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# Договор поставки товаров

**Power of attorney**  
(доверенность) (Olga)

vs.

**Charter**  
(John Hart)



**WHY IS IT SO?**

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# Example

What does term  
**“National Fund”**  
mean?

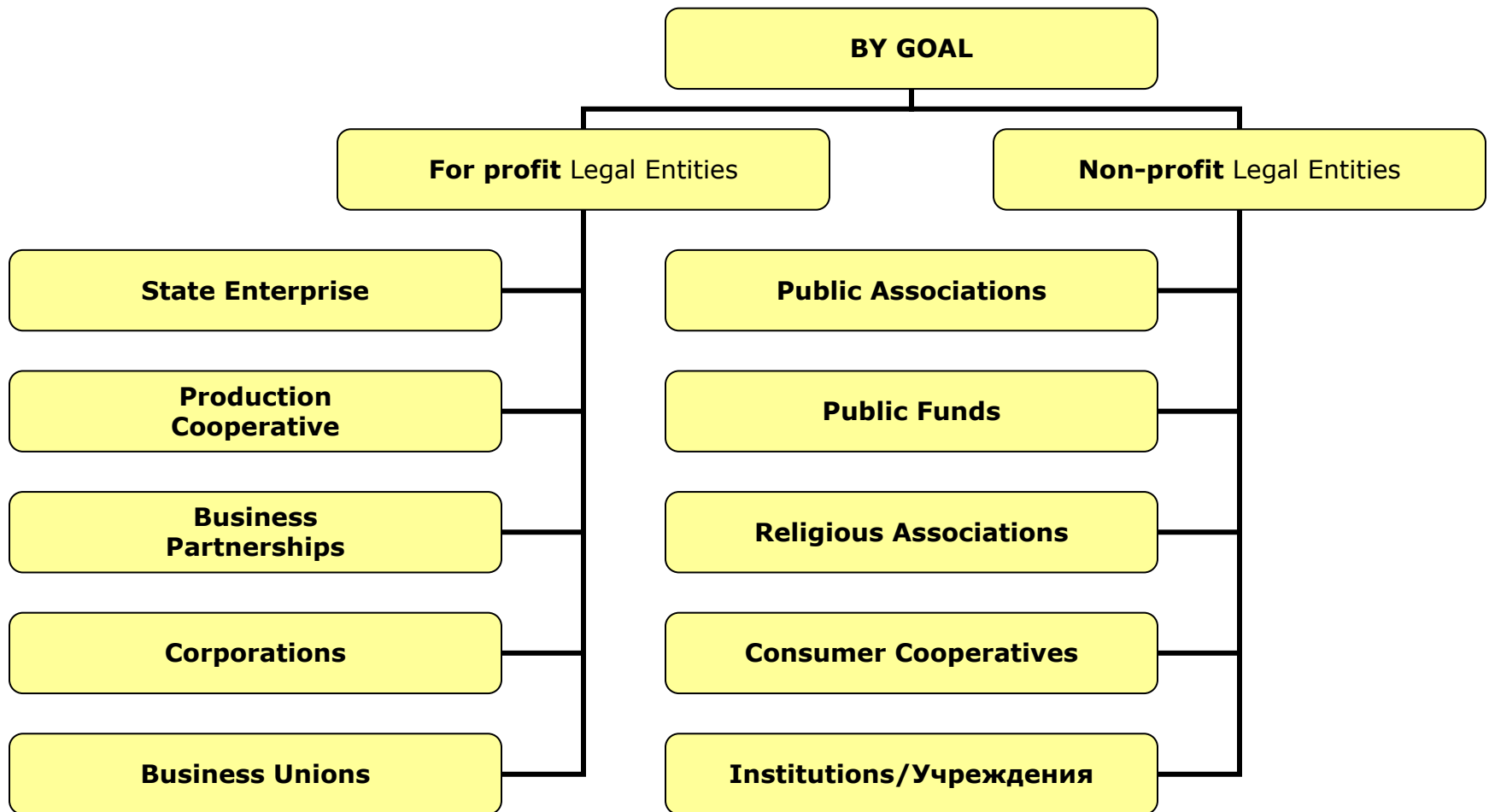


# Example

What type of  
**legal entity** is it?



# 1. Types of Legal Entities

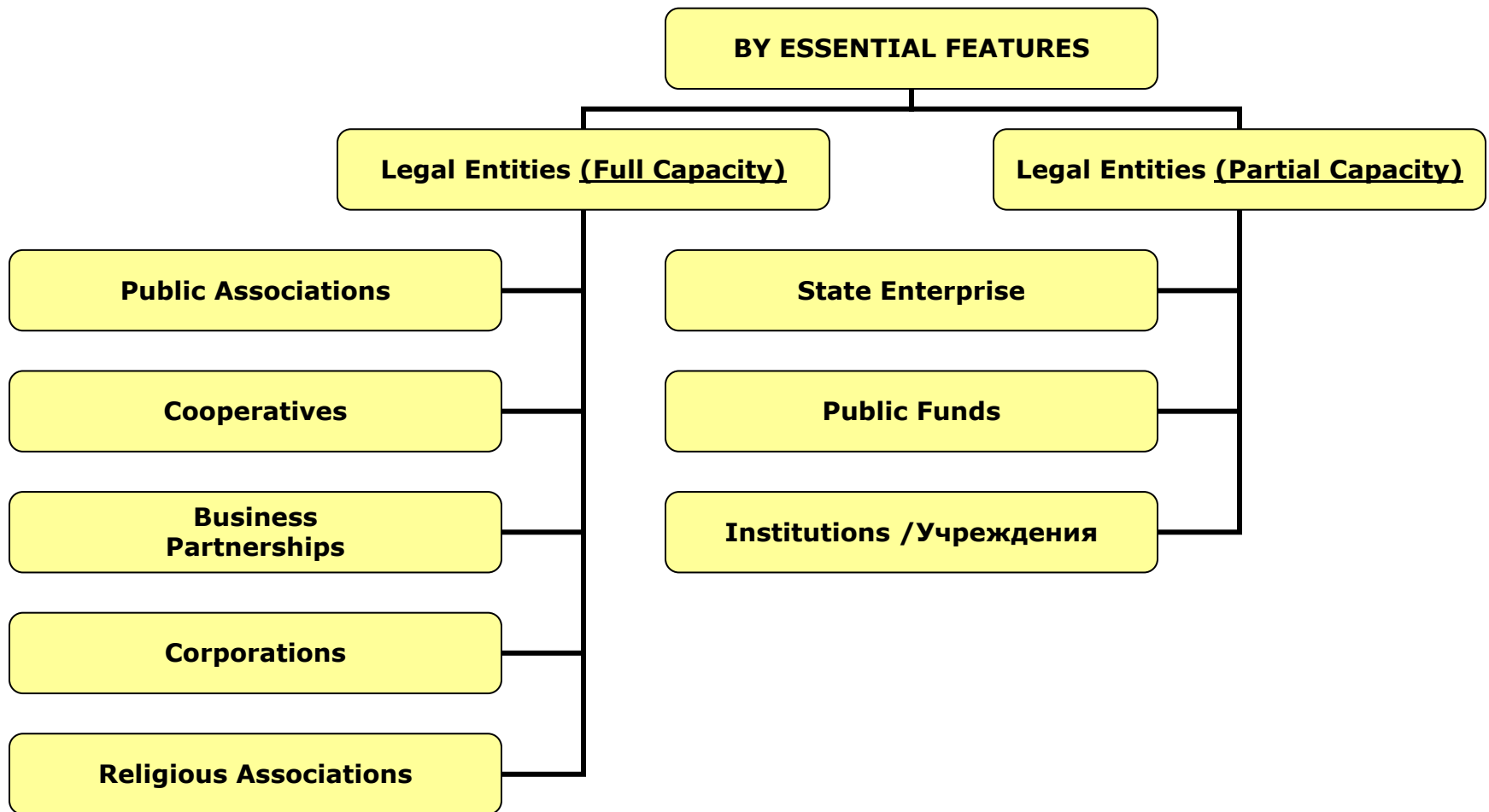


# 1. Types of Legal Entities

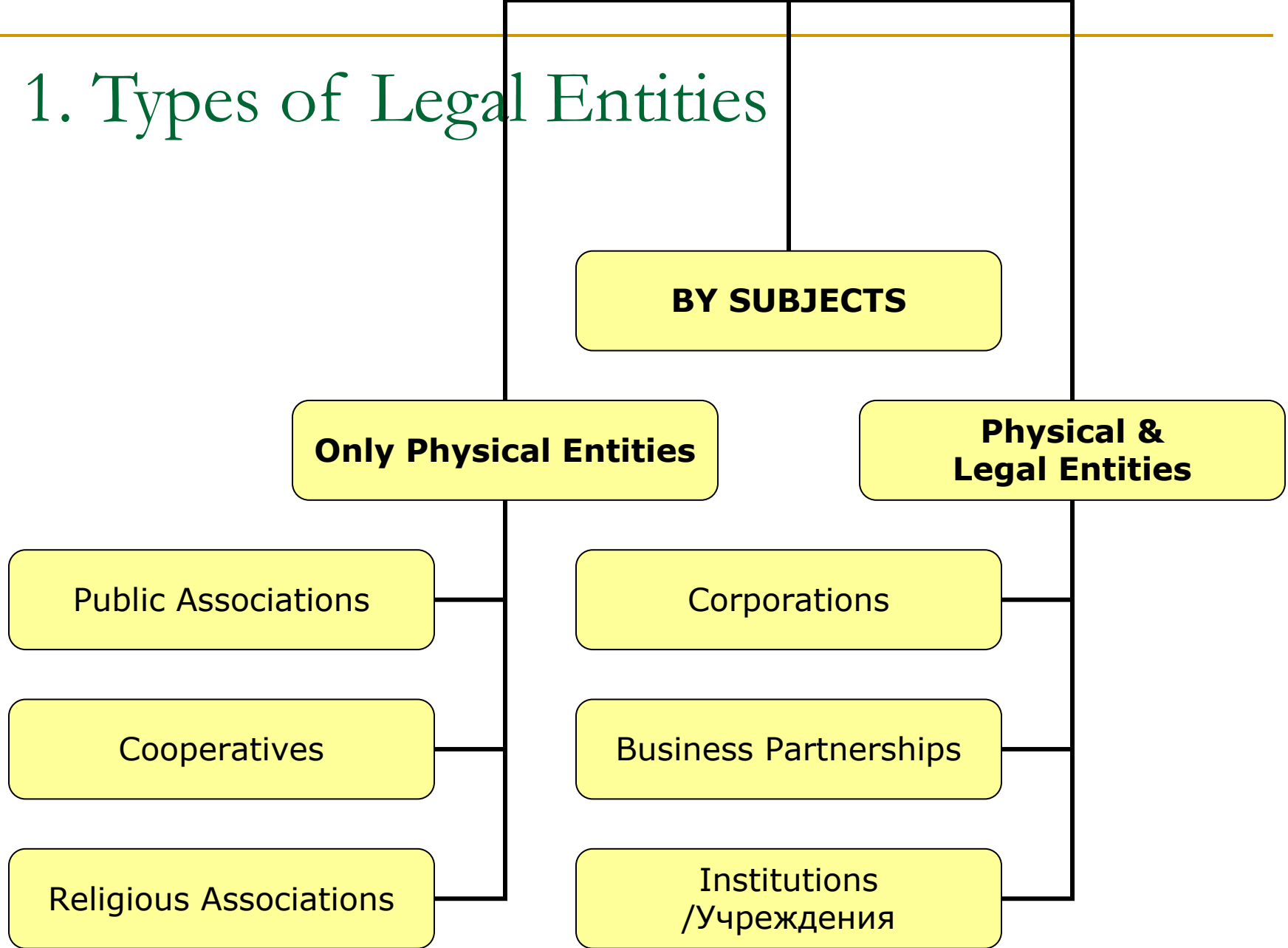
Is  
**Samruk Kazyna**  
a state enterprise?



# 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.**





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## 2. Legal Entity = Union

### **Legal Entity = Union of**

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



### 3. Business Partnerships vs. Corporation vs. Cooperative





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### 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

