

Consultation Paper

On the Proposed Alatau City Legal Entities Regulations

Why are we issuing this paper?

1. The Administration of Alatau City (the “Administration”) proposes the adoption of the Alatau City Legal Entities Regulations (the “Draft Regulations”).
2. The Draft Regulations establish the legal framework governing the incorporation, registration, operation and supervision of legal entities within the special legal regime of Alatau City.
3. The Draft Regulations are intended to establish a clear and consistent framework for the conduct of business through legal entities in Alatau City, including the types of entities that may be incorporated, the appointment, objectives and functions of the Registrar of Companies, and the requirements applicable to the incorporation, governance and reporting of such entities.
4. This Consultation Paper seeks public comments on the Draft Regulations.

Who should read this paper?

5. This Consultation Paper may be of interest to:
 - (a) residents and businesses operating or proposing to operate in Alatau City, including legal entities established under the legislation of the Republic of Kazakhstan and foreign companies;
 - (b) investors and professional advisers;
 - (c) public authorities and organisations whose activities may be affected by the special legal regime of Alatau City; and
 - (d) other interested persons.

How to provide comments

6. Comments on the Draft Regulations may be submitted to the Administration within 5 business days from the date of their publication on the Administration's internet resource at dir@alataucity.kz.
7. Persons submitting comments may identify the organisation they represent, where applicable.

What happens next?

8. Following the consultation period, the Administration will consider the comments received and determine whether any amendments or further refinements to the Draft Regulations are required.
9. The Draft Regulations are published for consultation purposes only and may be amended following consideration of the comments received.

Key features of the Draft Regulations

10. The Draft Regulations provide for, in particular:
 - (a) the prohibition against the conduct of business in or from Alatau City without incorporation or registration as an AC Entity, subject to the exceptions provided for;
 - (b) the appointment, objectives and functions of the Registrar of Companies;
 - (c) the types of entities that may be incorporated, including Private Companies, Public Companies, Subsidiary Management Organisations and other Permitted Entities;

- (d) the formation, incorporation and registration of Companies, including requirements relating to Articles of Association, Company names, the registered office, annual returns and Company records;
- (e) the corporate capacity and transactions of Companies, and class rights;
- (f) requirements applicable to Private Companies and Public Companies, including Shareholders and Shares, share capital, registers, Distributions, Directors and Secretaries, meetings and the protection of minorities in takeovers;
- (g) mergers, compromises and arrangements;
- (h) accounts, reports and audit;
- (i) the establishment and legal status of Subsidiary Management Organisations, and other types of Company and entity;
- (j) the transfer of incorporation of Foreign Companies to Alatau City;
- (k) the powers of investigation and other powers of the Registrar, Contraventions, enforcement and applications to the Court;
- (l) Ultimate Beneficial Owners and the Beneficial Ownership Register;
- (m) whistleblowing, including rights and remedies for whistleblowers and whistleblowing policies;
- (n) the power of the Regulatory Commission to adopt Rules, and general provisions relating to the Registrar; and
- (o) transitional provisions in relation to entities.

Consultation question

Q1. Do you have any comments or suggestions in relation to the Draft Alatau City Legal Entities Regulations? If so, please provide details.

Legislative proposal

11. The consultation materials comprise:

- 1) the Draft Alatau City Legal Entities Regulations (Annex).