

## **LAW OF THE REPUBLIC OF KAZAKHSTAN "ON THE PROTECTION AND SUPPORT OF PRIVATE ENTREPRENEURSHIP"**

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The present Law establishes the fundamental forms and methods for the protection and support of private entrepreneurship and secures the policy for preventing state intervention in private entrepreneurial activity, the maximum possible freedom for private entrepreneurs, the protection of trade secrets and liability of state agencies and officials for violating the rights of private entrepreneurs.

### **CHAPTER I. GENERAL PROVISIONS**

#### **Article 1. Concept of Private Entrepreneurship**

(1) Private entrepreneurship shall mean the activity of citizens, directed towards deriving profit or personal income by satisfying the demand for goods (works, services), based either on property of the citizen itself and existing in its name, at its risk and liability (individual entrepreneurship) or based on collective property of a juridical person and existing in its name, at its risk and liability (collective entrepreneurship).

(2) The activity of a juridical person, shareholder control or the majority portion of share participation of which belongs to the state, shall not pertain to private entrepreneurship.

(3) Property of private entrepreneurs is inviolable and shall be protected by law.

Suspension of the operation and the involuntary liquidation of an economic subject constituting a private entrepreneur shall only be by way of a court judgment. Restriction of the activity of private entrepreneurs shall be forbidden except as provided by the present Law.

#### **Article 2. Legislation on the Protection of Private Entrepreneurship**

(1) Relationships as to the protection of private entrepreneurship in the Republic of Kazakhstan shall be governed by the present Law and other legislative acts of the Republic of Kazakhstan not contravening this Law.

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(2) Norms of civil legislation shall be applied to issues not resolved by the present Law.

(3) Citizens and juridical persons of other states as well as stateless persons shall enjoy the same rights and duties in the area of private entrepreneurship as citizens and juridical persons of the Republic of Kazakhstan except as established by legislative acts of the Republic of Kazakhstan.

### **Article 3. Limits of the Legal Regulation of Private Entrepreneurial Activity**

(1) Restriction of private entrepreneurial activity shall only arise for questions in the exclusive competence of the state: supervision of legality; defense and safety of society and citizens; taxation, securities and antitrust regulation; the grant of social assistance; supervision of environmental, sanitation and fire protection norms. Laws and decrees of the Supreme Soviet of the Republic of Kazakhstan shall principally represent state regulation of private entrepreneurial activity.

(2) Substatutory acts contravening legislative acts of the Supreme Soviet of the Republic of Kazakhstan shall be null and void as of the date of adoption thereof.

(3) Acts of state agencies of power and authority granting privileges to state economic agencies and enterprises vis-à-vis private entrepreneurs shall be prohibited.

### **Article 4. Subjects of Private Entrepreneurial Activity**

(1) A physical person (individual entrepreneurship) or a group of persons (partnership, labor and farming household) may participate in private entrepreneurship without forming a juridical person.

Property of a group of persons shall belong to them as tenants in common [*obshchaia sobstvennost'*]. The property of a partnership or labor household shall belong to its participants by right of general shares [*obshchaia dolevaia*]. However, farm property shall be deemed to be a joint tenancy [*obshchaia sovmestnaia sobstvennost'*] unless the agreement of its participants provides otherwise.

A partnership shall be formed on the basis of an agreement on joint economic activity.

(2) A physical person (individual private enterprise) or collective of physical or juridical persons (lease, collective or cooperative enterprise; partnership; joint-stock company; economic association etc.) may participate in private entrepreneurship by forming a juridical person.

(3) All subjects of private entrepreneurship shall have equal rights to engage in entrepreneurial activity.