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# *Amendments to legislation regarding compulsory audit of LLPs*

*May 2017*

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## *In brief*

In March 2017, amendments to the legislation on improvement of the civil and banking legislation came into force. One of the changes is an obligation for financial statements of certain companies to be audited annually.

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## *In detail*

The Law (dated 27 February 2017 No. 49-VI) "On Introduction of Amendments and Additions to Certain Legal Acts of the Republic of Kazakhstan on improvement of civil, banking legislation and improving the conditions for entrepreneurial activity" (the "**Law**") entered into force on 11 March 2017 (some provisions have not come into force yet.)

The changes include a mandatory annual audit of the financial statements of limited liability partnerships (the "**LLP**"), if both the following conditions are met:

1. there are participants holding less than 10% of shares in the charter capital of the LLP;
2. the LLP is a large-sized enterprise.

Additionally, an annual audit is mandatory at the request of a participant holding less than 10% interest in the charter capital of a medium-sized enterprise.

Corresponding changes were made to the Law dated 20 November 1998 No. 304-I "On Auditing Activity".

*[Source: the Law of the Republic of Kazakhstan dated 27 February 2017 No. 49-VI "On Introduction of Amendments and Additions to Certain Legal Acts of the Republic of Kazakhstan on improvement of civil, banking legislation and improving the conditions for entrepreneurial activity"]*

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## *The takeaway*

The LLP is required to have an annual audit if specific conditions are met.

### ***Let's talk***

For a detailed discussion of how this issue might affect your business, please contact:



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