LLP vs Branch vs Representative Office in Kazakhstan

Should a foreign company open an LLP, a branch or a representative office in Kazakhstan? The answer depends on what the entity must do. The form decides your liability, whether you can trade, how profits are taxed and whether you can join a special economic zone — and changing it later costs time and money.

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Key points

- An LLP is a separate legal entity with limited liability — the usual choice for operations.
- A branch is not a legal entity: the foreign parent answers for its obligations.
- A representative office is not meant for commercial activity; trading through it can create a taxable permanent establishment.
- Only a legal entity can become a special economic zone participant.

The short answer

If you plan to sell, produce, hold assets or employ a team in Kazakhstan, an LLP is usually the right vehicle. A branch fits when the parent company itself performs a contract or project and wants to keep it on its own balance sheet. A representative office fits liaison, marketing support and market research — as long as it stays within those functions.

LLP vs Branch vs Representative Office vs AIFC company

Criteria	LLP (TOO)	Branch	Representative office	AIFC private company
Legal status	Separate Kazakhstan legal entity	Not a legal entity; a division of the foreign parent	Not a legal entity; a division of the foreign parent	Legal entity registered under the AIFC Acting Law
Liability	Members are liable up to the value of their contributions	The parent company answers for the branch's obligations	The parent company answers for the office's obligations	Shareholders are liable up to their contributions
What it can do	Any lawful commercial activity, with licences where required	Carries on all or part of the parent's business	Represents and protects the parent's interests; not meant for commercial activity	Activities permitted under AIFC rules; regulated activities need AFSA authorisation
Registration	State registration; online for a single founder in up to 1 working day	Accounting registration with the justice authorities	Accounting registration with the justice authorities	AIFC Registrar; typically two to three months for a complete application

Criteria	LLP (TOO)	Branch	Representative office	AIFC private company
Head	Director appointed by the members	Head appointed by the parent, acting under its power of attorney	Head appointed by the parent, acting under its power of attorney	Directors appointed under AIFC company rules
Minimum capital	Zero for small businesses; 100 MRP for medium and large businesses	Not required	Not required	Depends on the activity; regulated firms have capital requirements
Taxation	Kazakhstan corporate income tax on the company's profits	Profits taxed in Kazakhstan as a permanent establishment; branch profit tax may apply, subject to tax treaties	No taxable profit while it stays within representative functions	Kazakhstan tax rules, with exemptions for specific AIFC financial and ancillary services
Special economic zone	Can apply to become an SEZ participant	Cannot be an SEZ participant	Cannot be an SEZ participant	Separate AIFC regime; SEZ participation assessed case by case
Law and disputes	Kazakhstan law and courts; arbitration or the AIFC Court by agreement	Kazakhstan law for local operations	Kazakhstan law for local operations	AIFC Acting Law based on English common law; AIFC Court
Best for	Operations, manufacturing, trading and hiring	Contracts and projects run by the parent company	Market research, liaison and marketing support	Holding, financial and professional services structures

When an LLP is the right choice

An LLP limits the members' liability to the value of their contributions, can carry on any lawful commercial activity with licences where required, and can apply to become a special economic zone participant. It is the standard structure for factories, trading companies and service businesses that hire locally.

When a branch makes sense

A branch carries on all or part of the parent's business and is headed by a person acting under the parent's power of attorney. Because it is not a legal entity, its obligations are the parent's obligations. Its profits are taxed in Kazakhstan as a permanent establishment, and branch profit tax may apply, subject to tax treaties. A branch cannot be an SEZ participant.

When a representative office is enough

A representative office represents and protects the parent's interests. It suits market research, liaison with partners and marketing support. While it stays within representative functions it has no taxable profit; once it starts commercial activity, it can create a permanent establishment. If sales are part of the plan, choose a branch or an LLP from the start.

Where the AIFC fits

A company registered in the Astana International Financial Centre operates under the AIFC Acting Law, based on English common law, with disputes heard by the AIFC Court. It suits holding, financial and some professional services structures. Registration typically takes longer, licences issued in the AIFC are effective only in the AIFC, and tax benefits apply to specific activities. For a factory or a trading business, a regular LLP is usually simpler.

Questions to answer before you choose

- Will the entity sign sales contracts or issue invoices in Kazakhstan?

- Will it employ staff, hold stock, land or licences?
- Should the parent company's balance sheet be exposed to local obligations?
- Do you plan to apply for special economic zone participation?
- Which law and forum do you want for shareholder and commercial disputes?
- How will profits be taxed and returned to the parent under the applicable tax treaty?

Considering Kazakhstan?

Tell us what you want to build. We will tell you what it actually takes — the steps, the risks, and the realistic timeline — before you commit capital.

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Sources

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