Deloitte. Legal



Special Legal Alert for October 2017 Issue # 10/SLA:

What's New in Migration and Employment Law?

Dear friends,

In this Special Legal Alert, we would like to discuss planned amendments to be introduced into various migration and employment laws.

Migration Law:

Government Resolution № 602 dated 29 September 2017 approves the Kazakhstan Migration Concept ("Concept") for 2017-2021.

The Concept focuses on short-term and long-term migration and serves as the basis for a new national migration policy until 2021, whereby work permit quotas will not only be based on employer requirements, but also regional socio-economic development needs, regional migration and oralman acceptance quotas.

- Short-term migration covers foreign nationals employed in specific sectors of economy or for specific priority projects
- Long-term migration covers qualified foreign nationals hired as part of long-term innovative projects to improve entrepreneurial spirit and develop human resources

It also amends the migration law, so that:

- Low-skilled foreign nationals will be hired based on temporary work permits valid from one month up to one year
- sector limits will be introduced on hiring older foreign nationals
- charges will depend on the sector of economy in which the foreign national will be working
- qualified foreign nationals will be hired for a specific position or to realise specific projects for up to one year, and will be given the opportunity to extend their permits
- the mechanism for issuing certificates of compliance to obtain a work permit for self-employed activities will be improved. To this end, a specialists rating list will be drafted, with the system used to grade overseas specialists in the USA and Canada being adapted for Kazakhstan
- measures will be taken to simplify entrepreneurial activities for business migrants in Kazakhstan

The procedure for issuing work permits will be fully automated to ensure transparency and keeping record of qualified employees. The assumption is that documents may only be filed electronically.

Furthermore, the Concept will improve statistical accounting and reporting systems, and awareness of migration processes. It proposes:

- organising integrated international statistical accounting for all categories of foreign nationals from the EEU
- concluding partnership agreements with countries of origin in relation to the employment of unqualified foreign nationals, and creating an integrated register for the same showing sectors and areas of employment and types of work performed
- keeping record of qualified overseas specialists, showing their professions, sectors and employers, and the type of work they perform.

The Concept proposes the following action plan for the above measures:

- the corresponding legislative amendments will be devised in January 2018
- amendments will be introduced into the relevant legislative acts in December 2018

Further, according to the action plan, the Ministry of Employment and Social Welfare will monitor salaries, carry out random reviews or other forms of control, and study the legality and the reasons behind employers' decision to hire foreign nationals. It will also monitor social tension on a monthly basis and draft a map of employment risks.

Employment Law:

Amendments have also been planned to be introduced into the Labour Code with respect to secondments.

The Ministry of Employment and Social Welfare is planning to ban secondments and other types of contracted employment, except for short-term business trips from head office to subsidiaries and vice versa. At the same time, employment agreements should identify business trip conditions such as the period and scope of work. Salaries should be paid by the organisation where the person is employed.

According to the Ministry of Employment and Social Welfare, the reasons behind the above ban on secondments and other types of contracted employment include low salaries, relative lack of collective agreements due to the absence of social packages and employer inability to ensure safe working conditions.

However, the proposal to ban secondments and other types of contracted employment is currently being considered by the Ministry of Employment and Social Welfare. The next step would be for it to be reviewed by a national trilateral commission.

- The Special Legal Alert provides an in-depth analysis of the most significant amendments and changes planned to be introduced into legislative acts regulating business across a wide range of sectors. Our main objective is to inform our active and potential clients of the new developments in various areas of law.
- Deloitte is not responsible or liable for the use of the information contained in the Special Legal Alert.
- The information contained in the Special Legal Alert contains comments and conclusions based exclusively on information received from open sources.
- Even though the Special Legal Alert covers topics of a legal nature, it is not a legal conclusion on any of the issues discussed in it.
- The aim of the Special Legal Alert is to provide information of a general nature. Deloitte does not accept management decisions for anyone having read the Special Legal Alert, and also does not take responsibility for any decisions taken based on the details provided in the Special Legal Alert. Our conclusions are of an exclusively informative nature. Anyone having read the Special Legal Alert will be responsible for any decisions taken to implement or refuse to implement recommendations and advice, if contained in the Special Legal Alert.

How Deloitte can help

Deloitte Legal will be glad to provide detailed advice on any questions you may have after reading this Special Legal Alert. The contact details of the main team members are shown below.

The Deloitte Legal team provides unique legal advisory services in various spheres, such as:



Corporate Law



M&A transactions, investment support



Environmental Law



Labour Law and Immigration



Commercial Law:

- Contractual relations
- Licensing and Regulatory
- Real Estate



Legal Due Diligence



Restructuring, liquidation, insolvency

Contact Us:

Almaty/Astana

Agaisha Ibrasheva

Tel.: +7(727) 258 13 40 Fax: +7(727) 258 13 41 Email: <u>aibrasheva@deloitte.kz</u>

Olessya Kirilovskaya Tel.: +7(727) 258 13 40 Fax: +7(727) 258 13 41

Email: okirilovskaya@deloitte.kz

Assel Kazbekova

deloitte.k7

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

Deloitte provides audit, consulting, financial advisory, risk management, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500° companies through a globally connected network of member firms in more than 150 countries bringing world-class capabilities, insights, and high-quality service to address clients' most complex business challenges. To learn more about how Deloitte's approximately 244,000 professionals make an impact that matters, please connect with us on <u>Facebook</u>, <u>LinkedIn</u>, or <u>Twitter</u>.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.