



Special Legal Alert

Dear friends,

The new Labour Code, which entered into force from January 2016, defines a new procedure for resolving employment disputes, and a new procedure for declaring employer activities.

With this in mind, employers need to keep the following in mind:

- a clear procedure has been defined for resolving individual disputes. Thus, individual employment disputes should first of all be reviewed by conciliatory commissions, and only after that by courts. For this reason, all companies except

small businesses should set up permanent conciliatory commissions

- a clear procedure has been defined for resolving collective disputes. Collective employment disputes are initially resolved by the employer (combination of employers). If they are unable to resolve the dispute, then disputes are delegated to a conciliation commission. If the conciliation commission is unable to reach a conclusion, the dispute in question is given to an arbitration council. If a dispute is left unresolved after arbitration council involvement, it is passed onto a court for resolution. Thus,

the parties may only apply to a court to resolve collective employment agreements that have not been resolved by a conciliation commission or arbitration council

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Due to the above amendments, employers should pay special attention to following guidelines for regulating employment disputes, whether they be individual or collective disputes, in accordance with employment law as any deviation from the prescribed procedure increases the risk of employer actions being recognised as unlawful.

- declaration – employers can prevent labour inspections by following declaration procedures. At an employer's request, a procedure can be initiated to measure their compliance with employment law. Certificates are given to those who pass, which exempts them from employment inspections for three years

Employers should ensure staff documentation is in line with all statutory requirements before the declaration procedure starts, otherwise certificates will be refused.

Please note that this review aimed to notify you of amendments that, in our opinion, are the most significant in relation to the procedure for resolving of employment disputes and procedure for declaring employer activities.

If you require advice on the above issue, please do not hesitate to contact us – the Deloitte Tax & Legal Department at +7 (727) 258 13 40 (Almaty). This alert was prepared by Deloitte professionals for informational purposes only, and the application of its contents to specific situations will depend on the particular circumstances involved.

Best regards,
Tax & Legal Department

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