

Deloitte.
Legal



Deloitte Legal
Kazakhstan



25 years of Deloitte in Kazakhstan

An ancient Chinese proverb says, “the journey of a thousand miles begins with one step”, and on 14 July 1994, Deloitte took its first step in Kazakhstan by opening an office in Almaty. And now, 25 years later, we are still moving forward, continuing to develop and expand our horizons!

Finding complex solutions, understanding client businesses, presenting innovative approaches to their goals, and extensive professional and sector knowledge all help us perform effectively and serve our clients to the highest level. We are ready to continue as your professional services partner, one that is ready to help your business reach the top!

Thank you for your trust in us and choosing us to be your professional services provider!

Who we are Representing tomorrow

Deloitte Legal in Kazakhstan is an integral part of the Deloitte Legal global network of legal advisers. As part of the Deloitte professional services network, Deloitte Legal collaborates with colleagues in an array of globally integrated services to deliver local and multinational legal solutions that are:



Deloitte Legal's international presence and cross-disciplinary capabilities stand out from those of a traditional law firm

Deloitte Legal is...

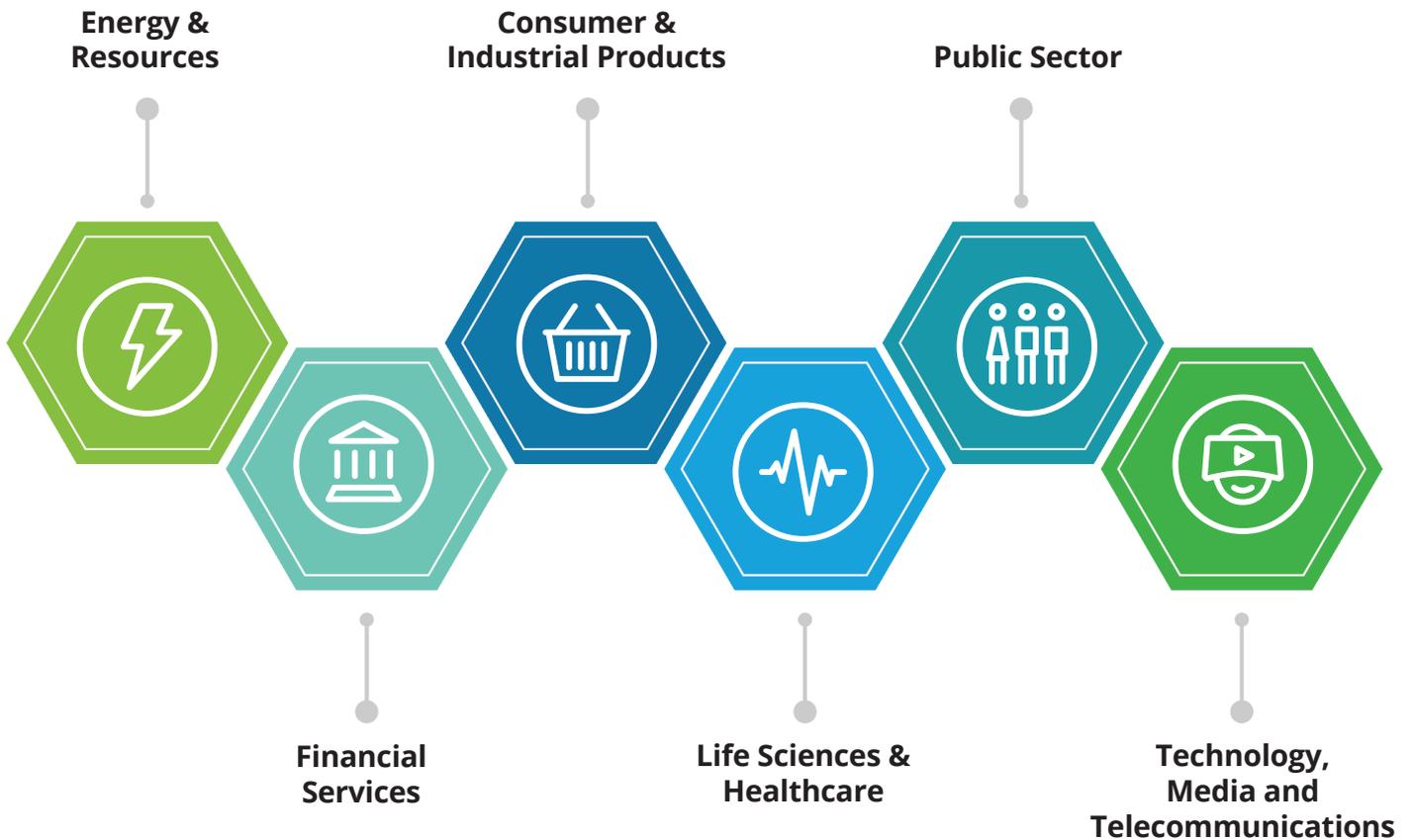
- More than **2,000** legal professionals
- Operating in **75+** countries
- Collaborating seamlessly **across borders** and with other Deloitte business lines

A recent study by Deloitte Legal on future trends for legal services has shown that the market for legal services is moving and growing and demand for alternative or non-traditional legal services is increasing.

Deloitte Legal is in a unique position to respond to these changing requirements. We work closely with Deloitte industry groups and other Deloitte business lines including tax, corporate finance and management consulting through a "one-stop-shop" approach. Looking beyond our national borders, thanks to the Deloitte Legal globally-connected network of member firms and operators, we work with our legal colleagues around the world to ensure our clients are getting the right advice for their corporate activities.

Industries

Deloitte Legal interacts closely with our special industry groups to combine specific industry knowledge with broad legal experience to offer a focused, client-centered service to national and multinational organisations. Deloitte Legal industry specialists strive to understand the particular needs of clients operating in the industries we serve, to stay close to their business and to remain current on industry trends and developments.





Legal reviews and dispute resolution

At Deloitte Legal in Kazakhstan we place great emphasis on helping our clients to meet their legal obligations and avoid punitive fines from State authorities. We regularly defend our clients' position before State authorities and in court.

Human Resources

The current Labour Code in Kazakhstan entered into force in January 2016, modernising the employment system and liberalising employment relations. Legislation for obtaining work permits was revised more recently in 2017.

Labour laws and options for employment structuring continue to evolve; some rules remain unclear but Deloitte Legal works closely with State authorities to clarify uncertain areas. Coupled with that, we are seeing an increasing number of employment-related disputes before the courts and these are typically decided in favour of the employee. Fines/compensation payments can be significant and in one recent case a company was required to pay USD 200,000 in damages to a foreign employee. Most problems we see come from poor HR systems and administration.

An independent and comprehensive review by Deloitte Legal of a company's HR policies, practices and documentation, can help the employer to understand better how to establish, manage and maintain its HR system and mitigate the risk of violations and adverse findings by the authorities.

An HR review may be useful when starting a business, launching a new strategy or at any time as part of a general housekeeping exercise.

In consultation with you, we will tailor our approach depending on your circumstances and requirements. Deloitte Legal provides the following HR audit services:

- A full HR review of all HR-related documents
- A targeted HR review of specific documents or contracts for example
- Assisting clients due to be (or being) audited by the State authorities and representing them in any subsequent controversy/litigation.

Work highlights



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A full HR audit for an equipment import company in anticipation of an HR audit by the State authorities. We also provided support during the audit and as a result all fines were avoided

Deloitte. Legal

A targeted HR review for a local education institution. We assessed the employment structure for foreign academic staff

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A targeted HR review for a large subsoil user. The review concentrated on developing the structure for attracting foreign personnel and calculating their remuneration

Environment

Over the last decade, we have seen a surge in large administrative fines on subsoil users in breach of environmental legislation and this can lead to lengthy and costly court battles. The majority of sanctions have been enforced against subsoil users for unlawful flaring of natural gas, unquoted environmental emissions during emergency incidents and non-compliance with legislation regulating waste disposal. We see first-hand the benefits of devising effective policies and tight internal processes and procedures.

In accordance with the Kazakhstan 2050 Strategy and the concept of a transition to a green economy, the government is currently reforming its approach to environmental protection and we monitor closely these developments and participate actively in debates about reform.

We work with companies to mitigate the risk of environmental law breach and avoid unnecessary fines by reviewing and developing their environmental systems and procedures in order to ensure compliance with environmental law. In consultation with you we will tailor our approach depending on your circumstance and requirements. Deloitte Legal provides the following environmental review services:

- A full environmental review of all environment-related documents
- A targeted environmental review of specific documents or contracts for example
- Assisting clients due to be (or being) audited by the State authorities and representing them in any subsequent controversy/litigation in relation to environmental payments, fines and compensation.

One recent area of focus is the new rules imposing recycling responsibilities on producers and importers of a broader range of goods, including batteries and packaging. Failure to comply with these new rules may lead to large fines being imposed on companies but liability can easily be avoided. In addition to the payment of recycling duties, there are also other ways to fulfill the recycling obligations. Our team is monitoring this topic closely and can help identify the processes required for compliance.

Work highlights



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Comprehensive review of environmental payment and reporting processes for a major subsoil user. The review included an assessment of administrative fines and environmental reporting declarations, a review of internal processes and their compliance with legislation and development of a step-plan for improving such processes

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Full environmental review of a major oil subsoil user's compliance with its ecological obligations as a subsoil user

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Full environmental review of a major subsoil user's compliance with environmental obligations including compliance with maximum possible emissions/discharge and resolutions of authorized State bodies following inspection

Tax & Customs

We have extensive experience of representing and defending clients on tax disputes before the Ministry of Finance, including advising on such disputes through the various Commercial Chambers and we conduct negotiations with senior officials through the Kazakhstan National Chamber of Commerce. We have also represented clients in regional courts (Aktau, Atyrau, Kyzylorda) and before the investment panel of the Astana city court.

Our experience of defending clients in complex tax audits has demonstrated the need for a careful assessment of tax law compliance from the outset to ensure full compliance of documents and agreements with Tax Code provisions. This is particularly so where complex contracts and consortiums are involved. It is also vital to develop a litigation strategy as early as possible in any dispute and we can work with you at any stage of a dispute to increase your chances of a successful outcome.

On customs issues, our experts have been heavily involved in drafting amendments to the 2018 Customs Code as part of the working group of the Majilis so we have an unparalleled insight into the workings of that legislation.

In consultation with you we will tailor our approach depending on your circumstance and requirements. Deloitte Legal provides the following tax and customs review services:

- A full tax/customs review of all relevant documents
- A targeted tax/customs review of specific documents or contracts for example
- Assisting clients due to be (or being) audited by the State authorities and representing them in any subsequent controversy/litigation.

Work highlights



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Representing a major subsoil user in the very first investment dispute considered by the Supreme Court as a first instance court following amendments to legislation. The case was ruled in favor of the client and helped save the client approximately USD 600,000

Deloitte. Legal

Representing one of the largest subsoil users in Kazakhstan in the Supreme Court as a first instance court following the results of a tax audit in relation to a production sharing agreement. The case was ruled in favour of the client

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Representing a major industrial company on a transfer-pricing dispute related to adjusting the customs price of oil exported from Kazakhstan to foreign states

Legal services

Corporate Law

Corporate Consulting

- Advising international companies looking to establish a legal presence in Kazakhstan, including advising on the investment preferences regime
- Negotiating, drafting and executing internal corporate documents (e.g. shareholder agreements, foundation agreements, charters and dividend policies)
- Implementing significant corporate actions (e.g. changes to charter capital, composition of participants/shareholders, registering/re-registering companies, branches and representative offices)
- Analysing corporate strategies and governance structures
- Providing full-cycle corporate compliance services

National and cross-border mergers and acquisitions and investment activity¹

- Conducting full purchaser or vendor legal due diligence (including tax, environmental, HR and financial services due diligence as required)

- Structuring transactions
- Full legal support during negotiation of the transaction
- Negotiating, drafting and executing letters of intent, share participation sale and purchase agreements and ancillary documents
- Obtaining regulatory approvals from all relevant State authorities
- Closing and implementing the deal
- Advising on private equity investments
- Providing full legal support for IPOs on Kazakhstan and foreign stock markets

Restructuring, liquidation and bankruptcy

- Advising on organisational structure and legal form
- Dissolving entities: providing full legal support during liquidation and bankruptcy procedures including freezing business activities

Work highlights



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Consulting on and implementing a spin-off of part of business for a construction company

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Advising on the corporate restructuring of a national holding during privatization

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Advising two subsidiaries of a major O&G services provider on establishing a presence in Kazakhstan

¹ For further information please refer to our brochure "M&A in Kazakhstan"

Employment and Immigration law

In addition to full or targeted HR reviews we offer the following employment and immigration law services.²

Employment

- Developing and/or adapting statutory standard HR documentation e.g. standard employment agreements, staff list templates and consent forms
- Overseeing hiring procedures (welcome packs)
- Terminating agreements (farewell packs)
- Providing strategic services e.g. drafting internal policies and regulations, advising on structuring and implementing corporate and employment relations
- Providing HR outsourcing/administration services e.g. maintaining/updating employee files, preparing required reports for submission to State authorities, preparing employee monthly timesheets
- Providing litigation and pre-litigation support in the event of an employment dispute

Immigration

Deloitte Legal regularly advises international companies on immigration matters, including assisting them to acquire and extend work permits and visas. Deloitte's global immigration team supports clients on immigration issues in different jurisdictions and the Deloitte Global Mobility programme acts as a one-stop shop for clients seeking advice on immigration issues in multiple countries.

In particular we:

- advise on all aspects of immigration law in Kazakhstan
- advise on work permit and visa rules
- provide all administrative support required for obtaining work permits and visas

Work highlights



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We provide ongoing support on immigration issues to a large international construction equipment manufacturer

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We regularly advise a major subsoil user on the compliance of its internal HR document with labour law in Kazakhstan.

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We have developed and drafted a corporate pension plan for a national air carrier. This is one of the first of its kind in Kazakhstan and has been regarded as an outstanding success by the company.

² For further information please refer to our brochure "Employment law services in Kazakhstan"

Commercial law

Contracts

- Preparing/reviewing a wide variety of commercial agreements including leases, distribution, agency, service, storage/warehouse and transportation agreements
- Preparing/reviewing finance and security agreements including loans, mortgages and pledges
- Assessing and drafting appropriate commercial structures including distributor/dealer chains, wholesale/retail sales, direct trading, internet trading, service and warranty support

Intellectual Property

- Advising on the protection of IP rights
- Providing advice and administrative assistance in obtaining patents and registering trademarks
- Analysing and preparing licence and franchise agreements and assisting with their registration with the competent authorities

Technology Projects

- Advising on the use of Innovative Technology, including cloud-based technology and electronic document-exchange systems

Real Estate and Construction

- Structuring transactions in the construction industry including large real-estate transactions and infrastructure projects
- Advising on investment preferences and drafting investment contracts
- Advising on complex rules around ownership rights and transactions in respect of land and other immovable property
- Litigation support

Public-Private Partnerships

- Preparing/reviewing concession and public-private partnership project documentation
- Liaising with the relevant competent authorities during the review and approval of the project documentation
- Supporting negotiations with private investors/government bodies and concluding relevant agreements

Currency control

- Advising on all currency regulation and control issues
- Structuring foreign trade transactions
- Supporting notification of currency transactions to the National Bank

Commercial law (continued)

Licensing

- Advising on all licensing issues including acquiring licenses and permits

Environment

In addition to full or targeted environmental reviews (and any related controversy/ litigation) we offer the following environmental law services:

- providing sustainable energy legal advisory services including advising on and implementing complex renewable energy projects in Kazakhstan for example in the solar, wind and hydroelectric spheres

- advising on any environmental, ecological and legal regulations e.g. on emissions, oil production by-products such as sulphur and gas, and the storage of oil, mining and oil refinery waste
- providing administrative assistance in obtaining all relevant environmental licences and permits

Work highlights



<p>Deloitte. Legal</p> <p>We have developed and reviewed loan agreements, including inter-company loan agreements for clients in the Energy & Resources sector</p>	<p>Deloitte. Legal</p> <p>We have developed several concession agreements, including agreements with the concessionaire and partners</p>	<p>Deloitte. Legal</p> <p>We reviewed the franchise agreement of an international fast food chain restaurant</p>
<p>Deloitte. Legal</p> <p>We reviewed the franchise agreement and registered IP rights for a Finnish technology company</p>	<p>Deloitte. Legal</p> <p>We provided legal consulting on rolling out mobile financial services</p>	<p>Deloitte. Legal</p> <p>We implemented electronic document management for a global digital industrial company</p>

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We advised on the use of cloud-based technology and protection of personal data for one of the world's largest communications providers



Meet the team



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