



IP/IT News Digest: Issue 2 – July 2017

The IP/IT NEWS DIGEST is an overview of the latest Kazakhstan IP and IT market and e-commerce news and trends. In it, we also highlight the most significant sector amendments and events within the framework of the EEU. Deloitte Legal offers consulting services around innovative strategic solutions for businesses and actively traces and comments on the most significant initiatives changing the face of business and setting new market game rules in innovation, technology and internet regulation.

New Developments in 'Intangible' Rights in Kazakhstan

The new IP rights Bill will simplify the protection of IP rights (continued)

The draft law we discussed in the previous issue promises to remove administrative hurdles in the protection of intangible rights and is currently about to be given to the Senate for consideration. The draft law is due to be adopted in September 2017.

Following on from the previous issue, further key changes include:

- the wide "range" of compensation for trademark violation, making it easier to set compensation based on the duration of a specific violation, the value of trademarks, the quantity and value of confiscated goods and other factors
- three options for submitting documents to register assignment and license agreements:
 - an agreement in full;
 - an extract from the agreement referring to details included in an application;
 - a standard application.
- the Ministry of Justice Appeal Council will continue to act as an extrajudicial body considering cases around the expert assessment and registration of objectives of intellectual property. However, the composition and balance of disputes covered by it is due to change with the aim of ensuring the council's integrity and absence of bias.

The government has passed a draft law amending information and communications related issues:

- One of the major novelties introduced by the draft law includes a list of cases where the media can use an individual's image without his or her consent.
- Thus, the consent of a person whose image is planned to be used in the media, is not required if the person takes part in entertainment, mass cultural, culturally significant and mass sporting events; meetings, marches or demonstrations and other public appearances, or if the information to be distributed contains the person's image and details of his/her

professional and (or) public activities, and if the person's image is being used in the public interest.

Mastercard and the Astana International Financial Centre ("AIFC") to develop a cashless economy

- As part of the Astana Economic Forum, the international payment system Mastercard and the AIFC entered into an agreement to work together to implement innovative payment technology and develop a cashless economy in Kazakhstan; actively developing innovative financial centre infrastructure, including modern payment technology.
- An important aspect of the partnership will be access to financial services through public financial literacy, which the parties intend to achieve by implementing the relative educational programmes and campaigns.
- Mastercard's global experience will be used to help create AIFC financial and technical start-ups.

Cash transfers to bankcards through the QIWI Koshelyok network

- According to the QIWI Koshelyok product development department manager, its terminals can be used to transfer cash to bankcards, offering the possibility to return cash to the client if the receiving bank rejects the transaction.
- Transactions are limited by law to KZT 226,900 or 100 times the monthly calculation index, and may only be made in KZT.

Russia has included Kazakhstan in the list of countries providing sufficient personal data protection

- Roskomnadzor has included Kazakhstan in an updated list of countries providing adequate personal data protection, according to the 1981 Strasbourg Data Protection Convention.
- The main conditions for a foreign country to be included in the list are:
 - the existence of a legislative act, which in Kazakhstan is the Personal Data Law, protecting personal data.
 - The existence of a personal data regulator and system of sanctions for statutory violations is also a factor. In Kazakhstan, this role is performed by the

prosecution service, while sanctions for violating personal data law are stipulated in section 79 of the Administrative Code.

- Importantly, the main consequence of the above development is the possibility for trans border personal data transfer from Russia to Kazakhstan (in accordance with the internal legislation of the countries).

IP and IT news within the EEU legal framework

Eurasian electronic commodity exchange:

- In February 2017, the Silk Road International Chamber of Commerce ("Chamber of Commerce") and Eurasian Business Council signed an agreement in Bishkek to create the Silk Road Eurasian Electronic Commodity Exchange.
- The Silk Road Eurasian Electronic Commodity Exchange will be based on the Eurasian Community Universal Commodity Exchange ("ECUCE").
- One of the specifics of the ECUCE is that it combines an exchange mechanism and mechanism for processing clearing settlements in many currencies. Hooking up Russian and Kazakhstan banks ensures the smooth servicing of exchange transactions.

- According to developers, the ECUCE has an extensive branch network opening settlement accounts for trading partners, helping them settle contracts in their own currency, while effecting trans border payments and conversion itself.

The EEU electronic document exchange ("Developments")

As was highlighted in the previous issue of IP/IT News Digest, the EEU Economic Commission has approved the plan of actions for the implementation of the EEU trans border space trust strategy development. In view of this, there are some developments to be discussed:

- A data security threat model has been approved that highlights key risks for the EEU Integrated Data System and creates an EEC certification centre.
- Initial testing of the B2G interstate electronic document management system has been successfully completed.
- The next stage involves implementing electronic business interaction with the state authorities.

- The IP/IT NEWS DIGEST is an overview of the latest Kazakhstan IP and IT market and e-commerce news and trends. Deloitte does not assume any responsibility for the use of information contained in the IP/IT News Digest.
- Information contained in the IP/IT News Digest comprises comments and conclusions based exclusively on information obtained from open sources.
- Even though the IP/IT News Digest discusses issues of a legal nature, it in no way represents a legal opinion on those issues.
- The purpose of the IP/IT News Digest is to present general thematic information. Deloitte does not make managerial decisions for anyone having read the IP/IT News Digest, and neither does it assume any responsibility for decisions taken based on information contained in it. The nature of our conclusion is purely informative. Anyone having read the IP/IT News Digest are liable for decisions taken to introduce or refuse to introduce any recommendations and advice, if contained in the IP/IT News Digest



How Deloitte can help

Deloitte Legal provides the unique legal consulting services on various IT and IP related matters including, but not limited to:

- Services on protection of IP rights and structuring of contracts on transfer of non-material assets and technology;
- Legal structuring of projects in the sphere of electronic commerce and legal support of investments towards technological projects;
- We provide services to the technological projects and can offer the legal consulting services on implementation of new technology in electronic commerce, electronic document management and other matters tailored to your business.

Back to top

Contact us:

Almaty/Astana

Agaisha Ibrasheva

Tel.: +7(727) 258 13 40

Fax: +7(727) 258 13 41

Email: aibrasheva@deloitte.kz

Olessya Kirilovskaya

Tel: +7 727 258 13 40

Fax: +7(727) 258 13 41

Email: okirilovskaya@deloitte.kz

Viktoriya Tyan

Tel: +7 727 258 13 40

Fax: +7(727) 258 13 41

Email: vtyan@deloitte.kz

Deloitte.

deloitte.kz

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 [Facebook](#), [LinkedIn](#), or [Twitter](#).

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.