

To all our clients and friends

INFORMATION LETTER

Certain Amendments in Legislation on Foreign Employees

In addition to the amendments in legislation of the Republic of Kazakhstan (Kazakhstan) in the sphere of foreign labor engagement mentioned in our Information Letter of 30 March 2018, we have some more recent news this month worth paying attention, especially by employers using foreign employees.

- 1) Starting 28 April 2018, no foreign labor engagement permits will be required in respect of the 1st category employees (chief executive officers and their deputies) of local legal entities with 100% foreign participation in the charter capital¹. At the same time, it is unclear what will happen to the permits for this category of employees that have already been issued (will they remain valid until expiration or be recognized as automatically terminated). Another issue is whether the members of a collective executive body, other management bodies of legal entities (management board, supervisory board, etc.) or directors not united into a collective executive body will be deemed equal to the "deputies of the chief executive officer", or the companies must stipulate a specific position "deputy of the chief executive officer" in the staff schedule to engage foreign employees without permits. The answers to this and other questions associated with such legislation amendments will be given by practice.
- 2) The 72-hour visa-free regime to enter, stay and exit from Kazakhstan is established for the citizens of the People's Republic of China (PRC) and the Republic of India (RI) flying by the Kazakhstan airlines (subject to availability of valid air tickets of local air companies) to third countries through the international airports of Astana and Almaty. Such visa-free regime is effective for the citizens of PRC starting 19 December 2017², and will become effective for the citizens of RI starting 28 April 2018³. The visa-free regime will end at 11:59 PM on 31 December 2018. This category of foreign citizens is to be registered by the Border Service of the National Security Committee of Kazakhstan at the state border checkpoints of Kazakhstan, followed by the issuance of migration cards specifying the time of crossing the state border of Kazakhstan. The local air companies provide the lists of citizens of PRC and RI flying through and using the 72-hour visa-free regime to the Border Service of the

¹ Decree No. 189 of the Government of the Republic of Kazakhstan "On Introduction of Amendments into the Decree No. 802 of the Government of the Republic of Kazakhstan of 15 December 2016 on Approval of the Rules for Establishing Quota for Foreign Labor Engagement in the Republic of Kazakhstan and Allocation Thereof Among the Regions of the Republic of Kazakhstan, Determination of the Branches of Economy for the Purposes of Implementing Intra-Corporate Transfer, and the Persons Whose Labor Activities Do Not Require Foreign Labor Engagement Permits from Local Executive Authorities, and on Recognition of Certain Decrees of the Government of the Republic of Kazakhstan as Null and Void" dated 13 April 2018.

² Decree No. 814 of the Government of the Republic of Kazakhstan "On Introduction of Amendments into the Decree No. 148 of the Government of the Republic of Kazakhstan of 21 January 2012 on Approval of the Rules for Immigrants' Entry and Stay in the Republic of Kazakhstan, and Their Exit from the Republic of Kazakhstan, and the Rules for Migration Control and Recording of Foreign Citizens and Stateless Persons Illegally Crossing the State Border of the Republic of Kazakhstan, Illegally Staying in the Territory of the Republic of Kazakhstan, and Persons Prohibited to Enter the Territory of the Republic of Kazakhstan" dated 6 December 2017.

³ Decree No. 175 of the Government of the Republic of Kazakhstan "On Introduction of Amendments into the Decree No. 148 of the Government of the Republic of Kazakhstan of 21 January 2012 on Approval of the Rules for Immigrants' Entry and Stay in the Republic of Kazakhstan, and Their Exit from the Republic of Kazakhstan, and the Rules for Migration Control and Recording of Foreign Citizens and Stateless Persons Illegally Crossing the State Border of the Republic of Kazakhstan, Illegally Staying in the Territory of the Republic of Kazakhstan, and Persons Prohibited to Enter the Territory of the Republic of Kazakhstan" dated 6 April 2018.





National Security Committee of Kazakhstan and the Ministry of Internal Affairs of Kazakhstan before the flight arrival to the international airports of Astana and Almaty.

Should you have any questions in connection with this Information Letter, we would be happy to provide more detailed information.

Best regards,
AEQUITAS Law Firm