

## LEGISLATION AMENDMENTS: LIABILITY OF EMPLOYERS FOR INTRODUCING INFORMATION INTO THE UASEC

### Important!

Starting 2020, employers in Kazakhstan must introduce certain information regarding entering into, amendment and termination of employment contracts into the state database – Unified Accounting System of Employment Contracts (the "UASEC"). Failure to fulfil this requirement does not provide for any express liability.

The situation will drastically change starting 12 March 2026, when legislation amendments on administrative violations considered below will be put into effect.

### ■ What will change?

New sets of administrative violations will be added to the Administrative Code<sup>1</sup> (Article 98), which will provide for liability for violating the established procedure for introducing the required information into the UASEC, specifically:

- failure to introduce or untimely introduction of information;
- introduction of incomplete information into the UASEC; and
- introduction of unreliable and/or incorrect information.

The above violations entail an administrative fine in the amounts, as follows:

- for small business entities and non-for-profit organizations – 60 monthly calculation indices (the "MCI")<sup>2</sup> (in 2026, KZT 259,500);
- for medium business entities – 80 MCI (in 2026, KZT 346,000); and
- for large business entities – 150 MCI (in 2026, KZT 648,750).

In case of committing a similar violation within one year of the moment of imposing liability, the amount of fine will be increased.

### ■ Violation Identification Procedure

To date, violations relating into introduction of information into the UASEC are identified in the course of preventive control or unscheduled inspections conducted by state labor inspectors. Therefore, an entity may be brought to administrative liability following the results of an unscheduled inspection or in case of identifying violations based on the outcome of preventive control.

At the same time, in light of general trend of digitalization of state control and growth of information exchange between the state databases, we do not exclude remote (without on-site visits) identification of violations in the future. Such approach will require additional legislative amendments; however, it objectively increases the risk of identifying formal inconsistencies.

<sup>1</sup> Administrative Code No. 235-V of the Republic of Kazakhstan dated 5 July 2014.

<sup>2</sup> The amount of MCI is established each year. In 2026, it is equal to KZT 4,325.

## ■ Conclusions and Practical Recommendations

The amendments in question demonstrate tightening of control over introduction of information into the UASEC. At the same time, the degree of severity and formalization of such control is yet uncertain and will mainly depend on position of the state labor inspection and developing law-application practice. Specifically, practice inevitably gives rise to the issue of degree to which formal inaccuracies in information contained in the UASEC will be considered as a sufficient ground for imposing administrative liability on an employer.

Additional legal uncertainty is created by unclear relation between the new administrative sanctions with the current rules for introducing information into the UASEC providing that an employer may adjust records within 30 business days of the date of introducing initial information. There is another issue open so far. Will administrative liability be imposed on employers in case of identifying violations with respect to records, for which the 30-day term for adjustment has not expired yet, or the employers may eliminate violations within this term without applying relevant sanctions?

Given these conditions, we deem it reasonable for employers to start taking preventive measures right now in order to minimize the risk of imposing administrative liability, in particular:

- to check for completeness and accuracy of the information previously introduced into the UASEC;
- to organize internal system control over the terms for introducing information into the UASEC when hiring and dismissing employees, as well as changing conditions of their employment contracts.

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

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