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CROSSING BORDERS

Transformation of Global Mobility and relocation
of employees to Central Asia



Between 2020 and 2025, the global labour market has experienced unprecedented changes due to pandemics, digitalization and competition for talent. This brochure examines key trends in global workforce mobility, hybrid employment and the phenomenon of digital nomads, as well as the legal and tax aspects of temporary work abroad. Special attention is paid to Central Asia, particularly Uzbekistan and Kazakhstan, which have stepped up programmes to attract foreign specialists in the post-pandemic era.

Changes in migration legislation, the introduction of special visa regimes, tax benefits for expats and practical HR and compliance issues are discussed.

To illustrate, practical cases of temporary relocation of an engineer and a project manager from Germany to Tashkent and Almaty are presented, with analysis of visa procedures, taxation, labor relations, social package and cultural adaptation issues. The conclusion proposes an assessment of the attractiveness of the regimes of Uzbekistan and Kazakhstan for employers and employees, identifies underestimated risks, and provides recommendations for the development of a global mobility strategy for 2025.

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1. Global Mobility Trends (2020 – 2025)

The **global mobility** sector is currently undergoing rapid development on a global scale. In the current business climate, the evolution of remote work models has empowered numerous professionals to perform their duties from any location worldwide. Over the past five years, the concept of global mobility has evolved significantly. In addition to traditional long-term business trips and expatriation, other key aspects have come to the fore, including short-term rotations, remote work from abroad and the growing phenomenon of digital nomads.

The impact of the 2020 – 2021 COVID-19 pandemic has compelled companies to review their approach to employee relocation. In response to restrictions on offline work and travel, businesses have adopted remote work formats on a large scale. By 2023, hybrid employment (partly in the office, partly remote) had become the new norm for 39% of office workers worldwide. According to recent surveys, 73% of companies now officially allow remote work within the country, and 52% have implemented or are considering a policy for short-term remote work from another country (up to 90 days per year). This flexibility allows employees to work remotely from foreign locations, combining work with leisure or proximity to family members.

At the same time, competition for talent at the global level has intensified. In light of talent shortages and the ongoing "great reshuffle" in the labor market, many companies have adopted a more flexible approach, offering international mobility as a strategy to attract and retain top talent. International experience is becoming increasingly valuable, with 93% of employees citing it as a life- and career-changing experience. In response to this decline, governments worldwide have initiated programmes to attract remote foreign employees, with the aim of mitigating the impact on tourism and investment inflows. By 2024, over 50 countries (including several OECD members) had already introduced special visas for remote work, known as Digital Nomad Visas (DNV). These visas granted foreigners legal status as temporary residents, provided they could demonstrate income from abroad. For instance, Estonia was the first European country to launch a Digital Nomad Visa in 2020, followed by Greece and others in 2021. In the 2022 – 2023 period, a wave of such programmes spread to Latvia, Spain, the UAE, Thailand and numerous other countries. This has led to significant growth in the digital nomads community, with estimations that by 2024, more than 40 million people globally lead a "work while travelling" lifestyle, including more than 18 million digital nomads from the US (a 147% increase from 2019).

Hybrid and remote formats offer numerous benefits, including flexibility and geographical expansion, but also present new legal and tax challenges. In the modern business world, companies are facing an increasing number of risks associated with employees working from other jurisdictions without the necessary formalisation. This can potentially result in the establishment of a Permanent Establishment for the employer abroad, which could lead to the double taxation of the employee's income.

Further obstacles to be considered include immigration law requirements (e.g. **visa and work permit regulations**, even for telecommuting outside the employer's country), social security regulations, labour law (e.g. minimum guarantees under local law) and data security concerns for cross-border work. In order to mitigate risks, employers are increasingly developing "**work-from-anywhere**" policies with clear restrictions (list of countries, up to 30 – 90 days, prohibition to work from countries with a high risk of **permanent establishment (PE)**, etc.). However, there are still many areas of uncertainty in practice: most tax treaties do not directly regulate the situation when an employee works remotely from a third country for a long period of time. Tax authorities are beginning to issue clarifications and adapt the rules. For example, some countries have introduced special tax regimes for remote workers or revised the residency criteria. The general trend is that global mobility is becoming more short-term, virtual and complex to administer, requiring collaboration between HR, tax lawyers and IT to ensure compliance with local requirements.

2. Central Asia: Regional Peculiarities and reforms

Central Asia has not traditionally been a major destination for corporate relocation, but in recent years a number of countries in the region have increased their efforts to attract skilled foreign professionals. Uzbekistan and Kazakhstan, the largest economies in Central Asia, have undertaken significant legal and tax reforms in the post-2020 period with the aim of improving the investment climate and introducing international experience. Let us consider the common features and differences of the regional context.

2.1 Legal and tax regimes for expats

Both countries have a 183-day system for determining tax residency. Under this system, a foreigner is considered a tax resident if they spend more than 183 days in the country during a 12-month period.

Residents are taxed on their global income, while non-residents are taxed only on income from sources within the country. Income tax rates are relatively low compared to most European countries: In terms of taxation, Uzbekistan operates a flat rate system of 12%, while Kazakhstan implements a similar flat rate of 10%. It should be noted that non-residents are subject to a comparable rate of 10% on the majority of income types, with certain exceptions.

By comparison, in EU countries (e.g. Germany) PIT rates are progressive up to ~45%, plus substantial social contributions. Both Central Asian states also offer special tax incentives for certain categories of foreign specialists or investors. For instance, Uzbekistan offered a 50% reduction in personal income tax for highly qualified foreign specialists from 2019 to 2022, effectively reducing the rate from 12% to 7.5%. Please be advised that this benefit will no longer be available as of 2023. However, its introduction reflects the government's strategy to attract talent through fiscal incentives. Kazakhstan, on the other hand, offers tax exemptions or fixed low rates for participants in certain programmes (MFCA, IT visa - see below).

2.2 Openness to foreign specialists

Recent reforms have made it easier for foreigners to enter and stay in the region. Since 2018, Uzbekistan has introduced a 30-day visa-free regime for tourist and business visitors from over 90 countries, including most of the EU, UK and Australia. A system of electronic visas (e-visas) was introduced for citizens of other states. The online application process was introduced to dramatically reduce bureaucracy. Kazakhstan has expanded the visa-free list to 57 countries for up to 30 days and implemented an e-visa mechanism for single-entry travel from 2019. In addition, in 2020 Kazakhstan has abolished the requirement for short-term foreign visitors from most countries to register their passports with the migration police (previously, this had to be done within five days). Visa foreigners are now automatically registered by the border service upon entry. These measures are designed to streamline the administrative processes for companies engaging employees on short-term projects. Nevertheless, the receiving party in Kazakhstan is obliged to notify the migration service of the foreigner's arrival in Kazakhstan within 3 working days from the date of entry.

2.3 State support and special programs

Both Uzbekistan and Kazakhstan have launched state programmes to attract investment and technology, which include components to facilitate the hiring of expats. In Uzbekistan, the Digital Uzbekistan 2030 strategy and the IT industry development program are designed to create employment opportunities and to recruit foreign experts in the high-tech sector. The infrastructure of IT Park, a technopark for

IT companies with preferential taxation and simplified hiring of foreigners, has been created. As of the end of 2023, 1,652 companies (including 426 with foreign participation) employing 26,000 people had become residents of IT Park. Residents are granted full tax benefits, with exemption from all major taxes (income tax, VAT and social tax). They are only liable for 7.5% income tax on their employees.

The regime is designed to encourage foreign IT firms to open offices in Uzbekistan and to transfer personnel.

In 2018, Kazakhstan established the Astana International Financial Center (AIFC / AIFC), a specialised platform based on English legislation and offering a convenient „one-stop“ service for expatriates. AIFC provides foreign financial specialists and investors with a streamlined visa application process and the option to obtain the status of investment resident (subject to meeting the necessary investment conditions) with a multiple-entry visa valid for up to five years. Significant relaxations apply to employment within an AIFC member company. For example, a separate work permit is not required for foreign employees (outside of the AIFC). In most cases, Kazakhstan sets annual labour quotas and requires a permit. In addition to AIFC, Kazakhstan has established the Astana Hub, a technology park for start-ups, to drive the growth of the IT sector. Participants at the Astana Hub benefit from streamlined entry procedures, including the option for specialised foreign entrepreneurs and specialists to obtain a Digital Nomad Visa through the Astana Hub. In 2022, the government of the Republic of Kazakhstan announced its intention to attract 100,000 foreign IT specialists by launching the Digital Kazakhstan initiative. The region has therefore developed an infrastructure for welcoming expats, combining tax incentives and administrative support (for example, the Expat Center in AIFC, where it is possible to obtain an IIN, visa, registration, etc. in one visit).

2.4 Barriers and practical challenges

Despite positive reforms, certain difficulties remain for foreign employers and professionals. In Uzbekistan, it is still necessary to obtain a **foreign labour permit** (Confirmation) to employ a foreigner on a general basis, except for preferential categories. The procedure is gradually being simplified – since 2018, quotas for foreign workers have been abolished and the principle of issuing permits through a single electronic portal has been introduced, but the employer still needs to submit a certain package of documents. In Kazakhstan, outside of special zones such as the AIFC, there is a permissive procedure with annual quotas by region and job category; quotas for highly skilled professionals are usually broad, but there may be restrictions for mid-level positions.

Language barriers and local requirements also have an impact: in Uzbekistan, for example, an employment contract with a foreigner is drawn up in Uzbek or Russian; personnel records are governed by the local labour code, which has its own norms for working hours, holidays, etc. that are unfamiliar to foreign companies. Another aspect is **registration at the place of residence**. In Uzbekistan, foreigners are obliged to register within 3 working days of arrival (through the host organisation or hotel, now available online system E-mehmon). Failure to register can result in fines or difficulties in leaving the country, so it is important for HR services to control this moment. In Kazakhstan, such registration will be abolished for short-term visitors from 2020, but the host must submit an electronic notification of the foreigner's arrival within 3 working days. **Compliance with migration regulations** has become easier thanks to online services (e.g. eGov portal), but requires attention.

Finally, **cultural and business differences** need to be taken into account. Central Asia is known for its friendliness and hospitality, but it takes time for a foreign employee to adapt to, for example, business etiquette, a more hierarchical decision-making structure and a different day-to-day culture. Nevertheless, Uzbekistan and Kazakhstan have significantly increased their attractiveness over the period 2020 – 2025. Uzbekistan and Kazakhstan have significantly increased their attractiveness on the global mobility map, positioning themselves as **new centres** of talent **attraction** between Europe and Asia.

3. Uzbekistan: New Opportunities for relocation

3.1 Migration law

The migration legislation of Uzbekistan has undergone significant changes in recent years. The basic act is the Law of the Republic of Uzbekistan „On the Legal Status of Foreign Citizens and Stateless Persons“ (New Law No. ZRU-692 of 04.06.2021), which consolidates the rights and obligations of foreigners. It is supplemented by a number of by-laws regulating the entry, exit and employment of foreigners. In particular, **Law No. ZRU-619 of 20. May 2020** amended the legislation on state fees related to the issuance of visas. This law established the fees for new types of visas and simplified the issuance of electronic visas.

Since July 2018, Uzbekistan has introduced an **electronic visa system (e-visa)** for citizens of more than 50 countries. E-Visa is issued for up to 30 days with single entry, and is issued fully online in two days, with a state fee of \$20. There is also a **five-day visa-free transit** for citizens of a number of countries (entry through international airports). These measures have significantly reduced barriers to entry: according to official data, foreign tourist arrivals will have returned to pre-pandemic levels by 2022, and the **number of foreign residents** is gradually increasing. In 2022 alone, Uzbekistan issued **2,277 residence permits to foreign nationals**, of which more than a third were to Russian citizens (due to the migration of IT specialists and entrepreneurs during the year).

In 2022, the government will introduce a **special IT visa** for foreign IT professionals, investors and IT company founders. From 1 April 2022, foreigners working in the IT sector will be able to obtain a **3-year (renewable) IT visa**. Criteria include proven high income (at least \$30,000 per year for professionals) or investment of \$10,000 or more for startup founders. Family members (visitor visas) can also obtain visas together with the main applicant. **Residents of IT Park Uzbekistan** are automatically eligible for IT visas and receive tax benefits: they enjoy a reduced income tax rate of 7.5% and a dividend tax rate of 5%. In addition, IT Park residents are exempt from income tax, VAT and customs duties. The IT Park's **TashRush** programme – a support team for company registration, opening bank accounts, finding accommodation, etc. – helps to guide newcomers. Thanks to these measures, experts estimate that by mid-2022 Uzbekistan will become one of the leading destinations for relocating IT specialists from CIS countries (along with Armenia, Georgia and Turkey).

There are no specific visa programmes for foreign experts in other sectors yet, but the general regime is quite liberal. **The categories of the Uzbek visas** are diverse – there are 28 in total, including business, visitor, work, study, investment and others. For example, from 2019, new types of visas will be introduced: **Vatandosh** (two-year visa for Uzbek natives who have returned home with their families), **Student visa** (one year for foreign students), **Academic visa** (up to two years for researchers and teachers), **Medical visa** (up to three months for patients) and **Pilgrim visa** (up to two months for religious pilgrims).

From 1 June 2025, Uzbekistan will launch the Golden Visa programme, opening new horizons for foreign investors and wealthy individuals. This initiative offers the opportunity to obtain a five-year residence permit in exchange for investment, helping to attract capital and stimulate the country's economic growth.

For classical **labor** employment the **labor visa „E“** is used (issued on the basis of a work permit, usually for the duration of the contract, but not more than 1 year per entry, with the possibility of extension). The conditions of employment depend on the foreigner's qualifications. **Highly qualified specialists** (diploma from a leading university, more than 5 years' experience, salary of more than USD 60,000 per year) and **skilled professionals** (more than 5 years' experience, salary of more than USD 30,000 per year) enjoy simplifications: they are granted a **multiple-entry work visa for up to 3 years at a time**, which can be renewed without leaving the country. A **residence permit** is also available for them and

family members **for the duration of the employment contract**. In case of early termination of the contract, such specialists are given 30 working days to find a new job in Uzbekistan, while their visas and residence permits remain valid during this period. These are extremely flexible conditions, rare by world standards and designed to make Uzbekistan attractive for qualified personnel.

3.2 Taxation and residency

As noted above, foreigners who spend more than 183 days a year in Uzbekistan become tax residents and pay personal income tax at 12%. Foreign employees who stay for less than this period are considered non-residents, and their income from Uzbek sources is also taxed at 12% (previously 20%). Employers withhold tax at source. Uzbekistan has double taxation treaties with 55 countries (including most EU countries, USA, China, Russia). For example, the treaty with Germany provides for a standardised allocation of tax rights in accordance with the OECD model. According to Article 15 of the treaty, the income of a German specialist working in Uzbekistan for less than 183 days and paid by a German employer without a permanent establishment in Uzbekistan is subject to taxation only in Germany. For longer stays, Uzbekistan becomes the main tax jurisdiction, and Germany grants a credit for the tax paid. With effective planning, it is possible to avoid double taxation. It is also important to consider contributions to social funds. As of 2019, Uzbekistan will be implementing a single employer's social contribution, which is a social tax of 12% of the payroll (the same rate will apply to expatriates). Foreign employees are not required to pay separate contributions for pension or health insurance. However, they have the option to join the company or private insurance schemes if they wish to do so. Overall, the total wage burden in Uzbekistan is around 12%, comprising social tax and personal income tax, which is significantly lower than the rates of ~40 – 50% observed in European countries. This provides companies with the opportunity to offer expats a competitive net salary.

3.3 HR and compliance practices

When hiring a foreign employee, an Uzbek employer is obliged to conclude an employment contract with the employee (with translation into Russian/Uzbek) and then register the contract in the Unified National Labour System (my.mehnat.uz portal) within five days. In 2020, Uzbekistan introduced mandatory electronic maintenance of labour books and contract registers, a requirement that also applies to foreign employees. A foreign employee is usually issued with a Personal Identification Number of Physical Person (PINFL) and registered at their place of residence. Upon completion of a business trip, it is imperative to deregister the foreign national and ensure that all other formalities are completed in a timely manner. This is to avoid any queries from the migration authorities on subsequent visits. It has been demonstrated that companies which systematically attract expatriates have in place internal guidelines on relocation to Uzbekistan. These guidelines include checklists on subjects such as visas, registrations, taxes and designated contact persons. Establishing cooperation with licensed outsourcing legal and accounting companies, such as Rödl & Partner, helps to ensure compliance. Many employers also meet the needs of foreign employees in terms of day-to-day adaptation. They provide office space or reimburse the rent, include international health insurance, and offer interpreter or assistant services as part of the social package. Such measures facilitate the integration of expatriates into Uzbek society. In terms of day-to-day life, Uzbekistan is becoming increasingly accessible for foreigners. International schools for children are available in Tashkent and other major cities, the market for long-term rental accommodation is expanding (owners are increasingly willing to sign contracts in English), and expat communities are flourishing. Those who have relocated have found the low cost of living to be advantageous, along with the high quality of life it offers. The capital, Tashkent, is a modern metropolis with a developing infrastructure, where Eastern culture and a globalised way of life coexist. All of the above, when viewed in conjunction with the recent reforms, suggests that Uzbekistan is an emerging location of significant potential for both temporary and permanent expatriation.

4. Kazakhstan: New Visas and regulations for expats

4.1 Special visa regulations for remote employees and investors

Kazakhstan has historically maintained a stronger integration into the global economy, and during the 2020 – 2025 period, it further advanced its position as a prominent regional hub for foreign investors and professionals. The primary objective was the introduction of special visa regimes for remote workers and investors, as well as institutional reforms (AIFC).

One of the most significant developments is the introduction of the Digital Nomad Visa, which has been designed for remote workers. In November 2024, Kazakhstan announced the introduction of the Neo Nomad Visa (category B12-1), designed for foreign nationals working remotely for foreign companies. The Neo Nomad Visa is initially valid for a period of up to one year, with the possibility of two further extensions, for a total duration of up to three years. The applicant must be able to demonstrate a stable monthly income of at least USD 3,000 from foreign sources. In order to proceed with the application, the following documents are required:

- A bank statement for the last six months.
- A tax return from the country of citizenship.
- A certificate of no criminal record.
- Medical insurance for the period of stay.

The package of documents is submitted to the Consulate of Kazakhstan (citizens of 48 countries are exempted from the need for an invitation). Please note that the processing time is up to five working days. Individuals in possession of a Neo-Nomad visa are permitted to remain in Kazakhstan; however, they are not permitted to engage in local employment. Their income must therefore remain sourced from abroad. If the conditions are met, the visa can be extended within the country. Visas for the same period are available for the applicant's family members. Kazakhstan has therefore joined the trend of attracting digital nomads by offering one of the longest (up to three years) and most affordable (income requirements are relatively low) visa regimes in the world. It is anticipated that this initiative will attract skilled professionals working remotely to the country, thereby stimulating local demand for services and rentals.

Another unique tool is the permanent residence permit programme for IT specialists. Alongside the Neo Nomad initiative, Kazakhstan has implemented a mechanism that allows foreign IT and other in-demand specialists to obtain a visa with permanent residency rights. In April 2025, it was reported that the first Digital Nomad visa had been issued to a select group of highly skilled professionals. The conditions include approval of the application through the Astana Hub platform or the relevant ministry. Following this, the applicant will be issued a multiple-entry visa for one year, with the right to stay for the entire period. They will also be registered for a residence permit. In essence, Kazakhstan is creating a streamlined immigration process for talented individuals. If a specialist meets the criteria (e.g. experience in a prominent technology company, in-demand profession), they can obtain residency status in Kazakhstan almost immediately, bypassing years of waiting. This makes Kazakhstan one of the few countries to offer a talent visa with the possibility of permanent residency. The specifics of this programme are currently being finalised, but it exemplifies the country's commitment to attracting skilled individuals.

In addition to visas for remote workers, Kazakhstan continues to issue investment visas. The Investment Residency Programme is subject to the provisions of the AIFC. A foreign investor who has invested a certain amount of money (for example, the purchase of US \$300,000 worth of government bonds or participation in funds) can obtain the status of „AIFC Investment Resident“. This status confers long-term A5 visa status for five years on the investor and their family, as well as certain tax benefits (a fixed

rate of 10% on income, the possibility of obtaining tax residency without 183 days of residence, etc.). In November 2024, a new visa, designated A6, was introduced for foreign businessmen who have invested more than USD 300,000 in the economy of the Republic of Kazakhstan. This visa allows the holder to enter the country multiple times and is issued for up to ten years upon invitation by a local company.

Indeed, these can be considered as analogous to the „golden visa“ programme, in that they offer privileged immigration status in exchange for investment in the economy. In addition to the provisions of the AIFC, Kazakhstan also offers foreigners the option of obtaining a residence permit (HNL). This permit can be granted to individuals who have resided in the country for a specified duration or those who have secured employment or have familial ties in the Republic of Kazakhstan. However, the availability of special regimes (Digital Nomad, AIFC, Astana Hub) allows expatriates to bypass permanent residency more often by working on multiple-entry visas.

4.2 Legal regulations of AIFC

The Astana International Financial Centre (AIFC) holds particular appeal for foreign lawyers, financiers and professionals. The AIFC, which commenced operations in 2018, holds constitutional status and operates within its own jurisdiction, based on the principles of English law. The organisation has an independent court (AIFC Court) and international arbitration, which is conducted in English, creating a familiar environment for Western companies. All AIFC residents and employees are served by the AIFC Expat Centre, a unique facility where all documents can be issued. These include visas (categories A5, B1-B3, C3), IIN (analogue of TIN), electronic digital signatures, address registration, etc. on a one-stop-shop basis. For instance, a foreign employee of an MFCA member company is issued with a C3 work visa for up to five years (multi-entry visa) without requiring a work permit or quotas. Family members are granted a C3-dependent visa for the same duration. Guests and partners are permitted to enter on B1-B3 business visas, which are also issued under a streamlined procedure until arrival at Astana airport. These conditions make international business highly convenient. In practice, many foreign specialists working not only in finance but also in related fields (consulting, IT start-ups) are registered through MFCA structures to take advantage of its regime. It could be argued that the MFCA has established itself as a notable enclave of English law in Central Asia, instilling a sense of confidence and security among expatriates.

4.3 Taxes and social contributions as of March 2025

Kazakhstan is also an attractive location for expatriates due to its low tax burden. Income tax is levied at a rate of 10% for individuals who are tax residents. Furthermore, there is full tax exemption on income derived from AIFC activities. The rate for non-residents is 20%. Dividends are subject to a 10% tax rate for residents and a 15% tax rate for non-residents. However, under the terms of a double tax treaty, a reduced rate may apply. Please be advised that corporation income tax is 20%. The employer is liable for social tax at a rate of 11%. Furthermore, employers pay contributions to the Unified Pension Fund of the Republic of Kazakhstan for mandatory medical insurance (~3%), social insurance (~5%) and employer's pension contributions for foreign tax residents (2.5% of salary). Employees who are tax residents contribute 10% of their pension contributions to the Unified Pension Fund. Despite these charges, the total tax and contribution burden per employee in Kazakhstan does not exceed 22%. Many foreign professionals consider low taxes to be a significant advantage of working in Kazakhstan. For instance, a German engineer who becomes a resident of Kazakhstan will pay 10% individual income tax (IIT) instead of ~42% in Germany – the savings are obvious, although it should be noted that contributions to the German social security system will be discontinued.

4.4 Formalization of hiring and relocation

In order to employ a foreign national in accordance with standard procedure, a Kazakhstani employer is required to obtain a foreign labour permit, unless the position is exempt from quotas. Senior management and rare specialists are often exempt from obtaining a permit. Once the permit is obtained (or if it is not required, as in the case of AIFC / Astana Hub), the employee is issued with a C3 work visa. Since 2021, the practice of submitting all documents for permits and notifications electronically, including through the eqonaq.kz portal, has been introduced, which has accelerated the processes. Electronic notification of arrival has replaced paper registration coupons. In general, Kazakhstan has introduced digital services for many migration-related processes, thereby reducing the need for direct communication with officials. However, bureaucracy persists: for instance, until 2020, employers were obliged to submit monthly reports on the number of foreign workers; this requirement has now been lifted in all but two regions. Permits must also be renewed annually (outside from favourable zones), a procedure that can be time-consuming. Many international companies solve this issue by engaging the services of specialized agencies or EOR (employer of record) providers, who officially hire a foreigner on their behalf, thus solving all compliance issues. Such services have also appeared in Kazakhstan and Uzbekistan, which facilitates market entry without the need for registering a separate legal entity.

4.5 Cultural integration and life

Kazakhstan is a multinational country where English is not yet widely spoken, but there is a growing number of English-speaking professionals in the business centre (Almaty, Astana). Russian is the language of international communication in Kazakhstan; therefore, it is essential for business success that most expats from Europe either refresh their Russian skills or use the services of an interpreter. Companies frequently provide complimentary Russian and Kazakh language courses for expatriates, along with the initial support of a local staff buddy. Life in Almaty and Astana is comfortable, with a variety of amenities, including international schools (particularly in Almaty, which has several English and American schools), shopping centres, entertainment venues, and natural beauty. While the cost of living in this city is higher than in Tashkent, it is still lower than in the European Union. The cities have excellent security measures in place, and the incidence of street crime is very low. Expats have noted the welcoming attitude of Kazakh citizens towards foreign specialists. Their experience is highly regarded, and they are frequently involved in training local staff.

4.6 Public services for expats

Kazakhstan was among the first CIS countries to adopt the e-government concept. Today, the eGov.kz portal and Citizens Service Centres (CSCs) provide convenient access to a wide range of permits and documents. The key step for a foreigner is to obtain an **IIN (Individual Identification Number)**, without which it is impossible to open an account or obtain a SIM card. The IIN is issued by the Migration Service or the AIFC's Expat Centre within one working day of the submission of the passport. With an IIN, an expat can make full use of eGov, pay taxes online, register their place of residence, etc. Citizen Service Centers (CSCs) now have dedicated English-speaking service windows. Kazakhstan is making a concerted effort to present itself as a digital and convenient state in which to live and do business, and in many ways it is succeeding.

In summary, Kazakhstan currently offers a combination of low taxes, special visa regimes for expatriates and investors, a developed expat infrastructure (AIFC, Expat Centre) and transparent legislation. These factors, in combination with its cultural affinity with Europe (many Kazakhstanis have pursued studies abroad, including under the renowned state Bolashak programme) and its strategic location, position Kazakhstan as a desirable location for professionals seeking to relocate, particularly in the financial and technology sectors.

5. Case Study: Relocation of Specialists from Germany to Uzbekistan and Kazakhstan

Let us consider a practical example of how temporary relocation of employees to Central Asia can take place. This will be illustrated by two hypothetical cases:

- **A civil engineer from Germany has been assigned to a six-month project in Tashkent, Uzbekistan.**
- **A project manager from Germany was sent on a six-month assignment to Almaty, Kazakhstan.**

Both employees will remain on the staff of a German company, working with local partners on projects in Central Asia. We will provide a comprehensive analysis of the visa procedures, taxation and HR documentation for each case, and will also briefly address any adaptation issues.

Case 1: Germany – Uzbekistan (Tashkent)

Visa procedure: since the engineer will be working on the project (and not for tourist purposes), he requires an Uzbek work visa. The following is the algorithm of action: the Uzbek partner (the receiving party) must obtain a permit to employ a foreign specialist for six months in advance from the Agency for External Labour Migration. For a highly qualified engineer, this is usually a formality: if they have a diploma and experience, the permit (confirmation) is issued without any problems for the duration of the contract. Following an invitation from the Ministry of Foreign Affairs, Uzbekistan issues a call for an „E“ (Employment) visa. The engineer will take the documents to the Uzbek consulate in Berlin: invitation, passport, photograph, application form, health insurance. The consular fee for a multiple-entry work visa valid for a period of six months is approximately USD 150. Please be advised that the visa will be inserted into the passport within 7 – 10 days. Upon arrival in Tashkent, the host company will register the engineer at their place of residence (hotel or rented apartment) via the online system E-mehmon within 3 days. The foreign national is issued with a migration card and an electronic registration mark. They are now legally permitted to remain in Uzbekistan and work there for a period of six months.

Taxation and residency: The period for determining tax status is **six months (approximately 183 days)**. Should an engineer remain in Uzbekistan for 183 days or more, they will be considered a tax resident of Uzbekistan. Please note that, should the project last exactly six months, the resident status will be acquired. It should be noted that the engineer's salary for these months will be subject to taxation in Uzbekistan at a rate of 12%. The foreign company has two options: either to withhold the Uzbek tax as a tax agent in Uzbekistan (for this purpose, it usually concludes an agreement with a consulting company such as Rödl & Partner, which calculates and pays the personal income tax on behalf of the foreign employer), or to pay the engineer the full amount, and he himself declares the income in Uzbekistan and pays the tax. In practice, companies tend to opt for the first option in order to streamline their procedures. In accordance with the Agreement on the Avoidance of Double Taxation between Uzbekistan and Germany, Germany is obliged to exempt this income from its taxes. The relevant article of the agreement determines the method to be applied (the credit or exemption method). Consequently, the engineer will pay 12% in Uzbekistan, thereby avoiding the risk of double payment. **If he remains in the country for less than 183 days (e.g. 180 days), he will be considered a non-resident of Uzbekistan for tax purposes.** In this case, his remuneration related to his work in Uzbekistan will be taxed at the rate of 12% at the source. However, according to the agreement (Article 15), if the payment is made from Germany and there is no permanent establishment, it is possible to avoid paying tax in Uzbekistan altogether. In our case, however, there is a host country and a project, which can create a de facto permanent establishment of the German company. Therefore, it is advisable to settle the tax obligation in Uzbekistan. Furthermore, the host Uzbek party is obliged to calculate and pay a social tax of 12%

on the notional payroll of the foreign employee (if he is officially on the staff of the branch or joint venture). Some companies register visiting specialists as consultants under a civil law contract with a local company. In such cases, a 12% withholding tax is applied. The choice of scheme depends on the duration and degree of immersion of the expat in the country.

HR documentation: a number of documents should be drawn up: a travel assignment from the German company, a work or service contract with the Uzbek party (it can be a tripartite agreement: the German company, the Uzbek company and the engineer himself). The contract specifies the working conditions, remuneration and responsibilities of the parties. It is important to comply with the requirements of the Uzbek labour law on health and safety, working hours (e.g. maximum 48 hours per week), etc. The contract should be signed by the engineer. If the engineer is employed by a German company and does not enter into an employment relationship with the Uzbek company, the local company will issue an order for him to be admitted to the site as a consultant. The engineer is also provided with liability insurance (if required by the nature of the work on site). At the end of the project, a statement of work is drawn up between the parties. On the HR side, it is important to document the length of the stay so that tax and social security issues can be properly resolved.

Compensation and social package: a six-month business trip generally includes the following:

- A per diem, which in Germany is tax-free within reasonable limits, and in Uzbekistan is also tax-free if paid within certain limits.
- Accommodation, for example a German company may pay for the rent of an apartment in Tashkent (800-1000 USD per month for a modern apartment).
- Car or transportation expenses.
- International health insurance.

As the engineer is relocating from Germany, he will be able to maintain some of the social benefits available to him in Germany. For instance, his contributions to the German pension scheme will be covered by the company, ensuring that his seniority is not affected by his business travel. This practice is commonly implemented under a „distorted salary“ arrangement. All these points are stipulated in the Assignment Letter, which is an annex to the employment contract and defines the conditions of the foreign business trip. The Uzbek party is able to provide office space, an interpreter or an assistant if the engineer has no knowledge of Russian or Uzbek.

Household and culture: prior to arrival, the engineer will undergo intercultural training. This will include information about the peculiarities of communication in Uzbekistan and the country's etiquette. This will cover such topics as respectful attitude towards elders and the more relaxed start of meetings with tea. In Tashkent, a German specialist will encounter no difficulties with everyday life: the city is cosmopolitan, and a wide range of services, including taxi and food delivery applications, are available. It is possible that a certain amount of inconvenience may be caused by bureaucracy. The host company will be present to assist the employee, including meeting them at the airport, arranging accommodation, and providing a tour of the city. Should you wish to make connections with other Germans in Tashkent, you may wish to consider approaching either the German Embassy or the local expatriate clubs, as there is a small German community in the city. Within six months, engineers generally adapt to their new environment and come to appreciate the local cuisine. They may also take the opportunity to visit Samarkand or Bukhara on a weekend trip. At the conclusion of the project, it is imperative that he completes all the formalities correctly, including handing over the apartment to the owner, cancelling the registration, obtaining a certificate of tax payment (for the German tax authorities), and closing the local bank account. The coordination of these activities is handled by the HR and legal department of Rödl & Partner.

Case 2: Germany – Kazakhstan (Almaty)

Visa procedure: A project manager also needs a work visa to travel to Kazakhstan if he is going to supervise the work directly on site. Suppose a German company has a subsidiary LLP in Almaty to which a project manager is sent to supervise the project.

According to Kazakhstani legislation, intra-company transfer is the transfer of foreign employees working as supervisors, managers or specialists in a legal entity established in the territory of a member state of the World Trade Organisation, located and operating outside the territory of Kazakhstan, to branches, subsidiaries, representative offices of this legal entity established in the territory of Kazakhstan for a period determined by the employment contract, but not exceeding three years, with the right to extend the period of employment for a period not exceeding three years.

A subsidiary LLP attracting foreign employees within the framework of intra-corporate transfer must ensure that the percentage of foreign employees (managers and specialists) attracted within the framework of intra-corporate transfer does not exceed fifty percent of the number of Kazakhstani employees of the respective category.

It is important to note that as part of the intra-corporate transfer, the LLP must obtain work permits for the recruitment of foreign employees and also act as an inviting party for the purpose of obtaining work visas. In terms of labour regulations for the period of the intra-corporate transfer, the foreign employee will be subject to the working hours, rest periods and health and safety requirements of the host party (LLP).

In this case, the labour relations of the foreign employees are governed by an employment contract (or other document confirming the labour relations) concluded between the foreign employees and the legal entity from which the intra-corporate transfer is made.

Thus, the legislator does not require the conclusion of a local labour agreement. Moreover, according to the documents required for the issuance of a permit for hiring foreign employees within the framework of an intra-corporate transfer, it is only necessary to submit:

- an electronic copy of a notarised translation (if the document is not in Kazakh or Russian) of the employment contract with the Company; or
- letter or intercompany transfer agreement between the Company and the LLP.

Taxation: for a period of six months, if an individual's stay in Kazakhstan exceeds 183 days, they are considered a tax resident of Kazakhstan for the duration of their stay. The German company will pay his salary, which will be taxed at a rate of 10% in Kazakhstan.

Compensation: in practice, a manager, like an engineer, is entitled to accommodation, transportation and per diem. In Almaty, rental prices for apartments start at USD 500 per month, while some individuals opt for aparthotels, which include cleaning and service charges. The German company will cover these costs. The German per diem is approximately 50-60 Euros per day but is usually paid if accommodation and meals are not provided. In the case of our example, the client would receive company car or taxi travel, with the necessary compensation. It is also obligatory for the employee to have insurance that is valid in Kazakhstan. Please note that private clinics are available in Almaty.

Social aspects: In Almaty, the manager will find themselves in a more familiar urban environment, with the city boasting a distinctly European spirit. It should be noted that colleagues are likely to have only basic knowledge of English. For this reason, the working language for meetings and documentation will be Russian, with translation provided if necessary. In the event that a foreign employee does not speak Russian, companies usually either hire an interpreter for meetings or provide an assistant. During the initial days of the project, the manager will be given a safety briefing (e.g. seismic requirements if the project is in construction, or industrial safety if it is in production). The work culture in Kazakhstan is distinct, with a more relaxed approach to deadlines and a strong emphasis on personal relationships within teams. It is recommended that German managers invest time in informal communication with the local team to establish trust, thereby facilitating project implementation.

In terms of practical amenities and conveniences, Almaty offers a high standard of living. The city is well-equipped with English-speaking personnel in the service sector, and signs are available in Latin. Moreover, bank cards (Visa and MasterCard) are widely accepted, ensuring seamless transactions. Following the download of a selection of local apps (e.g. Yandex Go for taxis, Kaspi.kz for payments), an expat will quickly become familiar with the system. We are pleased to inform you that mountain and outdoor activities are available at the weekend. 5G and 4G internet services are available to facilitate communication with relatives.

It is evident from both cases that meticulous planning and adherence to local regulations are pivotal to ensuring a successful temporary relocation. Despite differences in detail, the processes in Uzbekistan and Kazakhstan are generally similar and foreigner-friendly, with the support of local partners.

6. Conclusions and recommendations (Strategy 2025)

6.1 Attractiveness of modes

The analysis shows that **Kazakhstan and Uzbekistan offer very attractive conditions** for temporary relocation of professionals in **2025**. Kazakhstan stands out for its low tax burden (10% instead of 30 – 45% in the EU) and advanced initiatives such as a **visa** for remote workers and a special AIFC regime with 5-year **visas** without excessive bureaucracy. This is particularly advantageous for companies with remote employees: for example, transferring part of the staff to work from Almaty can reduce tax costs for the company and the employees. Uzbekistan, for its part, is impressing with the momentum of its reforms - from e-visa to a three-year **IT visa** with tax benefits. For IT companies, the Uzbek IT Park regime is one of the most favourable in Eurasia (0% tax except 7.5% on salaries). If the client is a technology company, opening an office in Tashkent and relocating the team can provide significant savings and new markets. Both countries have relatively **easy paperwork** (thanks to digital services).

6.2 Underestimated risks

However, it is important to note that relocating to Central Asia does carry certain risks. Firstly, there are **compliance risks**: incorrect documentation of remote work or exceeding the permitted stay may lead to tax claims (e.g. the establishment of a permanent company establishment). We advise you to consult Rödl & Partner in advance and, if necessary, structure your presence through a local legal entity or a service agreement. Secondly, while the legal environment is improving, **legislation can change rapidly**. For instance, preferential regimes may be revoked and requirements for foreigners may be tightened as the economic situation evolves. It is therefore essential to remain informed of any updates to the regulatory framework, either through a local consultant or by subscribing directly to the news of the Ministry of Labour / Migration Service. Thirdly, it is advisable to consider **geopolitical factors**, such as

the neighbourhood of Central Asian states with major players such as China and Russia. The events of 2022 (mass influx of migrants from Russia) demonstrated that infrastructure was under strain and that rental prices in Almaty and Tashkent temporarily increased. In the event of a sudden influx of migrants or changes to the visa regime, companies would be well advised to have a plan B in place. Another important consideration is **currency risk**: it should be noted that both the Tenge and the Sum currencies are subject to fluctuations. In instances where salaries are paid in local currency, it is essential to incorporate provisions for indexation or pegging to a hard currency, thereby safeguarding the employee from the impact of devaluation. There are also cultural risks to consider. While the people are generally hospitable, there is a possibility of misunderstandings due to differences in business culture, such as more flexible attitudes to punctuality and deadlines in Kazakhstan and Uzbekistan.

6.3 Recommended Strategy 2025

Based on our analysis, we propose the following strategy for successful global mobility, taking into account the opportunities in Central Asia:

1. **Evaluate business objectives and mode choice.** Determine the types of employees and projects for which it makes sense to relocate to Central Asia. If the goal is to reduce costs and retain talent in a remote working format, consider **Kazakhstan's Digital Nomad Visa** as an option: employees remain on staff but work from Kazakhstan, saving taxes. If the aim is to develop the local market or implement a project locally, it makes sense to **open a representative office** and transfer the team on local work visas. Uzbekistan is suitable for IT and manufacturing companies (many young engineers, advantages for production in free economic zones), Kazakhstan - for the financial sector, consulting, oil and gas services (English AIFC law, mature market). In some cases, a combination is possible: R&D centre in Tashkent and regional sales office in Almaty.
2. **Compliance planning.** Even before the transfer of employees, we recommend the involvement of Rödl & Partner's labour law and tax experts in both countries for **due diligence requirements**. Set up internal guidelines: maximum 30 days of work abroad without notice; beyond that, HR must be informed. Develop document templates: Assignment agreement, ancillary agreement to the contract for the period of relocation, specifying currency of payment, accommodation, insurance, etc. Check whether it is necessary to conclude an **agreement on social contributions** (e.g. whether German pension fund contributions should continue to be paid for the employee in order to preserve his / her rights and how this should be coordinated with the Kazakh / Uzbek side). Be sure to consider **double taxation rules**: for example, if the employee continues to pay taxes outside Kazakhstan or Uzbekistan, get a credit for taxes paid in Central Asia (this requires a package of documents with translations – invest time in the bureaucracy, it pays off without penalties).
3. **Take advantage of special regulations.** Register a company in IT Park Uzbekistan for an IT project and take advantage of the available incentives, including visa facilitation and zero-tax benefits. Alternatively, you have the option of joining the Astana Hub as a startup. The team will be provided with support and visas by the Hub. Should the investment amount be significant, AIFC investor status may be a viable option to consider. A 5-year visa would eliminate the need for annual renewals and provide a top manager with greater stability in their role. Please note that preferential programmes often require specific criteria to be met (minimum turnover, number of jobs created), so it is advisable to negotiate the terms of participation with local authorities or technopark administrators in advance.
4. **Employee support.** Develop a **relocation package**: flights for the whole family, housing search services (can be paid to an estate agent), international school fees for children (or reimbursement), annual paid trips home. Include an **early return** option - if the employee doesn't adjust, the company commits to transferring them back without jeopardising their career. This will reduce the employee's fear of travelling. Hold orientation sessions: currency, banks, medical centres, shops - practical information. Appoint a **"Country mentor"** within the company - someone who has worked in Central Asia who can mentor new expatriates, sharing personal experiences and advice.

- 5. Monitoring and feedback.** Throughout the trip, collect feedback from employees on problems – both bureaucratic and personal. Designate a person in the HR department who is responsible for international mobility and who is on call 24/7 to deal with emergencies (from lost passports to team conflicts). Carry out regular **compliance audits** to ensure that notification deadlines are met, visas are not overdue and taxes are paid on time. It's best to keep a calendar for each expatriate. If necessary, contact Rödl & Partner consultants - our advice can help you avoid critical mistakes.

In conclusion, Central Asia in 2025 offers companies a new opportunity for global mobility. It is possible to effectively combine business needs (cost optimisation, market development) with the interests of employees (personal development, interesting cultural experiences). The key advice is to be proactive, but within the legal framework. A strategic relocation plan, incorporating special visa regimes, tax planning and employee support, has the potential to position Uzbekistan and Kazakhstan as a valuable asset for your organisation's global expansion, providing access to new resources and a competitive advantage. The key to success in this area lies in effective planning, consideration of subtle variations, and a willingness to learn from your team. Central Asia is open to the world, and those who take a structured approach to relocation can maximise benefits and minimise risks.



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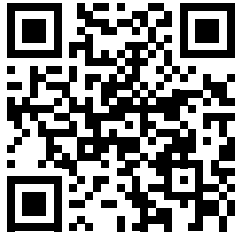
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