



IN THE SMALL CLAIMS COURT

OF THE ASTANA INTERNATIONAL FINANCIAL CENTRE

5 May 2026

CASE No: AIFC-C/SCC/2025/0042

PILOSYAN ARTHUR NELSONOVICH

Claimant

v

AKASHI DATA CENTER PLC

Defendant

JUDGMENT

Justice of the Court:

Justice Patricia Edwards



ORDER

UPON the commencement of a Claim on 14 October 2025;

AND UPON the filing of a Objection to the Statement of Claim and challenge to jurisdiction on 28 October 2025;

AND UPON the Claimant filing a response on jurisdiction on 8 December 2025;

AND UPON the Court's First Order dated 13 February 2026;

AND UPON the Claimant filing a reply to the Defence on 5 March 2026;

IT IS ORDERED that:

1. The Defendant shall, by 16.00 Astana time on Friday 22 May 2026, pay to the Claimant 2,400,330 tenge.
2. No order as to costs.
3. Otherwise, the claim is dismissed.

JUDGMENT

1. On 17 July 2023, the parties entered into an Employment Contract under which the Claimant was engaged as Chief Legal Counsel for the Defendant.
2. Pursuant to the Employment Contract, and four additional agreements, the Claimant worked for the Defendant as Chief Legal Counsel, Deputy First Head for Legal Issues, Chairman of the Management Board and then Director of Legal Affairs. From 1 October 2024 onwards, the Claimant's salary was 3,500,000 tenge per month.
3. However, on 20 May 2025, the Claimant was suspended from work with 50% of his salary withheld, and ultimately in July 2025 the Defendant terminated the Employment Contract.
4. The Claimant commenced this Claim on 14 October 2025. On 28 October 2025, the Defendant filed an Objection to the Statement of Claim including a challenge to jurisdiction. On 8 December 2025, the Claimant filed a response to the Defendant's jurisdiction challenge. On 13 February 2026, I dismissed that jurisdiction challenge and found that this Court has jurisdiction to hear the claim. The Claimant subsequently filed submissions in response to the substance of the Defence.

Background

5. On 15 May 2025, the Head of the Security Service issued a Memo to the Chairman of the Board of Directors of the Defendant asking for the Claimant to be temporarily suspended. On 17 and 19 May 2025 the Claimant sent objections, asserting that the Security Service's accusations were speculative and unsupported by facts.
6. On 30 May 2025, the Claimant was temporarily suspended from work. On 11 June 2025, the Head of the Security Service sent some written questions to the Claimant, to which he responded in writing on 16 June 2025. On 26 June 2025, the Head of the Security Service published his Conclusion about the results of the Internal Investigation.
7. On 3 July 2025 the Management Board resolved to terminate the Claimant's contract. A notice of termination dated 4 July 2025 was delivered to the Claimant's house, but he was not there. On 24 July 2025 another notice of termination was sent to and received by the Claimant via Telegram.

Grounds for termination

8. In the Defence, two grounds for the Claimant's dismissal are identified:

(1) Loss of trust, under Article 52(1)(13) of the Labor Code of the Republic of Kazakhstan. This was identified as the reason for termination in the 26 June 2026 report.

(2) Serious misconduct constituting a breach of the employment contract which resulted in adverse consequences for the company, under Article 61(2)(b) of the AIFC Employment Regulations. The Defence relies on Article 16(a) of the AIFC Employment Regulations, and clause 4.2(1) of the Employment Agreement, under which the Claimant was required to perform his duties with reasonable care, skill and diligence.

9. Turning first to Article 52(1)(13) of the Labor Code:

“Article 52. Grounds for termination of an employment contract at the initiative of the employer

1. Employment contract may be terminated with the employee at the initiative of the employer in the following cases:

13) committing guilty actions or inactions of an employee serving monetary or commercial values, as well as using his official position in his interests or in the interests of a third person contrary to the interests of the employer in return for obtaining material or other benefits for himself or other persons, if these actions or inactions give grounds for loss of confidence in him by the employer”.

10. The Defendant submits that “the mere fact of the employer’s established loss of trust in the employee constitutes sufficient grounds for termination of the Agreement at the employer’s initiative”. The Defendant accepts the requirement in sub-paragraph (13) for there to be “grounds for loss of confidence”, requires there to be objective circumstances providing the employer with reasonable grounds no longer to trust the employee.

11. However, importantly, the employer must first establish “*guilty actions or inactions of an employee serving monetary or commercial values, as well as using his official position in his interests or in the interests of a third person contrary to the interests of the employer in return for obtaining material or other benefits for himself or other persons*”. It is only if such conduct is established that the second question arises, and must also be satisfied, as to whether this conduct gave grounds for loss of confidence.

12. In Regulatory Resolution of the Supreme Court of the Republic of Kazakhstan dated November 28 2024, the following clarification was added:

“25. Termination of an employment contract on the grounds provided for in subparagraph 13) of paragraph 1 of Article 52 of the Labor Code is allowed in respect of

employees who directly serve monetary or commodity values, as well as in respect of employees who use their official position in their own interests or in the interests of third parties, contrary to the interests of the employer, in return for obtaining material or other benefits for himself or other persons, if these actions or inaction give grounds for the loss of confidence in him on the part of the employer.

The courts should take into account that according to subparagraph 13) of paragraph 1 of Article 52 of the Labor Code, not only employees who directly service monetary or commodity values (reception, storage, transportation, distribution, etc.), but also other employees who, by virtue of their work responsibilities, have direct access to monetary transactions, who have committed culpable acts or omissions that give rise to a loss of confidence in them, may be dismissed.

Such actions, in particular, may include: receiving payment for services without appropriate documents, measuring, weighing, cheating, violation of the rules for the sale of alcoholic beverages or the issuance of narcotic drugs, overestimation of prices, embezzlement of property or culpable admission of its shortage and surplus; banking transactions conducted in violation of the established procedure.

Termination of an employment contract under subparagraph 13) of paragraph 1 of Article 52 of the Labor Code is not a type of disciplinary action. The employer's act should regulate the procedure for conducting an internal investigation to terminate an employment contract on this basis, the observance of which should be checked by the court when considering a labor dispute.

The basis for issuing an order to terminate an employment contract under subparagraph 13) of paragraph 1 of Article 52 of the Labor Code is an act of internal investigation indicating in it the justifications confirming the commission of guilty actions or omissions by the employee."

13. In the Defence, the Defendant has also relied on Article 61 of the AIFC Employment Regulations as a basis for lawful termination:

"(2) An Employer may terminate an Employee's employment without notice for cause. Termination by the Employer for cause is termination:

- (a) because the Employee has committed a crime, if the commission of the crime has a material and detrimental impact on the Employer; or*
- (b) because the Employee has committed a repudiatory breach of a provision of the Employee's Contract of Employment; or"*

14. Under the following two provisions, the Claimant was required to perform his duties with reasonable skill, care and diligence.

15. Firstly, Article 16(a) of the AIFC Employment Regulations:

"16. Employee's duties

An Employee must, except as and to the extent specified in the Employee's Contract of Employment, during the employment (and, as specified in this subsection, after the termination of the Employee's employment):

(a) perform the Employee's employment duties with reasonable diligence and care".

16. Secondly, under Clause 4.2(1) of the Employment Contract:

"4.2 The Employee is obliged to:

1) conscientiously and promptly perform work duties in accordance with this Contract and the acts of the Employer ...".

17. The Defendant relies on the same internal investigation report to say that the Claimant was in repudiatory breach of these obligations (which for convenience I will refer to as the duty of care). Accordingly, the internal report dated 26 June 2025 falls to be considered in relation to both grounds of termination. The Claimant has responded to the allegations in the report in its Reply, and in several other documents prior to these proceedings.

18. The allegations in the June report fall under the following six headings.

(1) Agreement No. INKZ-2023-2 dated 19 January 2023

19. The June Report alleges embezzlement by S O Mashagin. The only allegation against the Claimant is that:

"This fact became possible not without the participation of the Deputy INCZ (at that time), and later the Chairman of the Board of Akashi Pilosyan A.N., who, being an official in charge of legal issues, contributed to the commission of an offense on the part of Mashagin S.O., and dd not take measures to file claims and refund funds."

20. The Claimant notes that this agreement was concluded on 19 January 2023, prior to the incorporation of the Defendant (on 4 April 2023). He was assistant to the manager at Infrastructure of Kazakhstan LLP (one of the contracting parties, "INKZ") from 2 May to 14 July 2023, but did not have any managerial or blocking functions in decision making, nor access to financial management. He began working for the Defendant on 17 July 2023, such that the two roles did not overlap in any event.

21. Accordingly, the Defendant has not established that the Claimant was in repudiatory breach of the duty of care or fell within Article 52.

(2) General Agreement No. ADC-2024-42 dated 22 October 2024

22. The Defendant alleges that four different copies of this contract with VestaStroyService LLP (“Vesta”) for the construction of the Akashi Data Processing Centre were produced, although these have not been produced in these proceedings. It claims that its property interests suffered significant damage as a result of the differences between the contracts.
23. The Claimant says that this agreement was concluded in accordance with the resolution of the Board of Directors (minutes dated 18 November 2024) and the shareholders resolution dated 19 November 2024, and that this is the only contract under which work and obligations have arisen. The Claimant noted in his 16 June 2025 response to the Head of the Security Service that he had no knowledge of there being four copies of the contract.
24. The Defendant refers to “signs of embezzlement (theft) of financial resources” in the cash flows between INKZ and Vesta and an ongoing audit of these by Ernst & Young. However none of this is sufficient to establish the theft alleged nor the involvement of the Claimant.

(3) Signatories and power of attorney

25. On 4 November 2024, the Board of the Defendant resolved “to grant the right to sign payment, banking [sic] and financial documents of the Company jointly to the Charman of the Management Board Pilosyan Artur and the Deputy Chairman of the Management Board for Finance Yelembayev Assylkhan, excluding the sole signature of any of them on these documents”.
26. The June report states that the Claimant acted beyond his powers when, on 6 November 2024, he granted himself, now as Chairman of the Management Board, “the right of first signature on payment, banking and financial documents”.
27. The Claimant points to the fact that the following day, on 7 November 2024, the Claimant granted “the Deputy Chairman of the Management Board for Finance, Assylkhan Akanovich Yelembayev, the right of second signature on payment, banking and financial documents”. Taking the orders together, the Claimant submits that he was not left as the sole signatory.
28. The June report further states that on 7 November 2024, the Claimant “unreasonably issued a power of attorney ... authorizing S O Mashagin to sign all documents”. However, the Claimant has provided minutes of the Management Board meeting on 6 November 2024, in which the granting of this power of attorney was sanctioned.

29. It is not therefore clear that the Claimant acted beyond his powers in respect of either of these actions. Further, the Defendant has not established any damage caused. The report states that as a result of the above, the Claimant signed documents on the basis of which an unjustified payment was made to AversPro LLC and DiSiKvadrat LLC which caused significant damage to the Defendant. However there is no evidence of any of this. The Defendant has not established a repudiatory breach or shown that the case falls within Article 52 on this basis.

(4) Alleged fictitious contracts

30. The Defendant alleges that on 02.09.2024, it entered into a lease agreement for a Mercedes-Benz Viano, which was paid for but never received for use. Neither the lease agreement nor the certificates of work performed for services rendered were signed by the Claimant. The June report says that the signature of S O Mashagin was “made by facsimile, which is actually used by [the Claimant]”, but nothing further has been said or provided to substantiate any wrongdoing by the Claimant.

31. For his part, the Claimant notes that the car was in fact used for its intended purpose, for the benefit of employees; primarily to transport engineering and technical workers to the construction site. Further, he says that the Head of Security subsequently terminated the lease and, in lieu of the remaining payment, acquired ownership of the Mercedes-Benz Viator such that no loss was suffered by the Defendant in any event.

(5) INKZ funds

32. The June report makes various allegations about withdrawal of funds from INKZ’s account, which is a separate company to the Defendant. There is a vague and brief reference to bonuses allegedly being accrued to the executive director S.O Mashagin unreasonably, and that he could not accrue bonuses to himself since the Claimant was the chairman of the Management Board. However the report does not identify any details or involvement of the Claimant, who had already stated in his answers on 16 June 2025 that control over the movement of funds was carried out by the Finance Director, Yelembayev. The Reply also notes that the Claimant has not been involved with INKZ since July 2023 and had no access to the company’s financial transactions.

(6) Other allegations

33. Finally, the June report alleges that the former management of INKZ and the Defendant, including the Claimant, “for a long time, on a systematic basis, deliberately committed violations of labor

law and executive discipline, financial and economic activities of companies aimed at elementary embezzlement of borrowed funds”. However no further detail or evidence is given.

34. It follows from the above that in these proceedings the Defendant has not established a case of repudiatory breach of the duty of care nor that the case comes within Article 52 of the Labor Code. It was not therefore entitled to terminate the Employment Contract on either of these bases.

35. The Claimant further alleges that the Defendant failed to follow the proper procedures for decision making, reviewing the report of the Security Service and allowing the Claimant the opportunity to respond to the reports. Given the conclusions I have reached it is not necessary to consider these points further.

Suspension

36. The Defendant’s case is that it was entitled to suspend the Claimant while investigating the allegations against him, and that it was entitled to withhold half of his salary during this suspension. It relies on Article 48 of the Labor Code of the Republic of Kazakhstan:

“Article 48. Suspension from work

1. In the cases stipulated by the laws of the Republic of Kazakhstan, the employer or the receiving party is obliged to suspend the employee, the employee of the sending party, based on the acts of the relevant authorized state bodies.

2. In addition to the cases provided for in paragraph 1 of this article, the employer or host party :

1) was in a state of alcoholic, narcotic, alcoholic (similar) intoxication at work or used substances that cause such intoxication during the working day;

2) did not submit exams for checking knowledge on issues of labor safety and labor protection or industrial safety;

3) did not use personal and (or) collective protective equipment provided by the employer or host party;

4) if it is mandatory according to the legislation of the Republic of Kazakhstan, has not passed a medical examination or medical certification before the shift;

5) in case of depriving the employee of the right to drive a vehicle or other permits necessary to perform the work agreed in the employment contract;

6) if his actions or inaction lead to serious consequences for his life and health, including those of other employees, industrial injuries and accidents, violations of labor protection, fire safety, or traffic safety rules, the employee, the employee of the sending party must be suspended from work.

...

4. For the period of suspension from work, the employee of the sending party shall not maintain salaries and shall not be paid at the expense of the employer or the receiving party social allowance for temporary disability.

5. Suspension of the employee, the employee of the sending party from work shall be carried out by the employer's act or the act of the receiving party for a period of time until the reasons for the suspension are clarified and/or eliminated."

37. The Defendant has not suggested that any of the grounds for suspension in Article 48 apply in this case, and in my judgment the Claimant is right to refute that they do. Accordingly the Defendant cannot rely on Article 48(5) to justify the suspension, nor Article 48(4) to justify the withholding of salary.

Termination, reinstatement & damages

38. The Claimant seeks to be reinstated in the position of Director of Legal Affairs. He claims salary which was withheld in May, June and July totalling 4,150,330 tenge and compensation for enforced absenteeism in August and September 2025 in the amount of 7,000,000 tenge.

39. As regards duration and termination, the Employment Contract provides:

"2.1 This Contract is concluded for a period of 1 (one) calendar year, shall enter into force on 07/17/2023 (the date of commencement of the Employee's work with the Employer) and shall be valid until 07/16/2024 (the last day of the Contract and the Employee's work with the Employer under the Contract), unless terminated earlier in accordance with the legislation of the Republic of Kazakhstan and on the grounds provided for in this Contract.

2.2 Upon expiration of the Employment Contract, the parties have the right to extend it for an indefinite or definite period of not less than one year. In the event of expiration of the Employment Contract, if neither party has notified in writing of the termination of the employment relationship during the last working day (shift), it is considered extended for the same period for which it was previously concluded, except for the cases provided for in paragraph 2 of Article 51 of the Labor Code of the Republic of Kazakhstan (hereinafter referred to as the Code).

...

7.5 At the initiative of the Employer, this Contract may be terminated unilaterally on the grounds provided for by the labor legislation of the Republic of Kazakhstan."

40. Subsequently, various additional agreements were entered into between the parties, as the Claimant's role and salary changed over time: on 1 August 2023, 1 October 2024, 6 November 2024 and 20 March 2025. None of these purported to extend the contract.

41. Under clause 2 of the Employment Contract, the year long agreement ended on 16 July 2024 and, in the absence of notice from either party, was extended until 16 July 2025. Thereafter no further extension was agreed, and on 4 July 2025 the Defendant gave notice to the Claimant of its termination of the contract by letter to his address in Astana, although it appears that the Claimant had by then left for Russia.
42. In my judgment the contract expired on 16 July 2025 and the Claimant has no right to be reinstated in his role. It follows that he has no claim for damages in relation to salary said to have been due to him thereafter.
43. However, it also follows from the findings above that the Defendant has not established a right to withhold half of the Claimant's salary while the Employment Agreement was still in force. As I have found that the agreement ended on 16 July 2025, the Claimant's claim should be reduced to two and a half months of salary (8,750,000 tenge), less that which he was in fact paid (6,349,670 tenge). The total amount of salary he can recover is therefore 2,400,330 tenge.
44. Except as otherwise set out above, the Claimant's claim is dismissed.
45. No order as to costs.

By the AIFC Small Claims Court,

Patricia Edwards,
Justice, AIFC Small Claims Court

Representation:

The Claimant represented himself.

The Defendant is represented by Mr Maksat Tikeukhan, Senior Legal Counsel, AKASHI DATA CENTER PLC.