

## **Results of anti-corruption monitoring conducted at the KazakhExport EIC JSC for the first quarter of 2023**

### **I. Introduction**

1. **Name of the quasi-public sector entity for the activities of which anti-corruption monitoring was carried out:** the KazakhExport EIC JSC (hereinafter referred to as the Company).

2. **Anti-corruption monitoring** was carried out by the Head of the Compliance Service Kabsamatov Kuanysh Akaevich.

Work phone number 8 (7172) 95-56-56, extension number 183.

3. **Anti-corruption monitoring period:** from March 20 to March 31, 2023.

4. **Observed period:** from January 01 to March 31, 2023.

### **II. Information and analytical part**

#### **Conducting inspections by state bodies**

From January 30 to March 20 of this year, in order to assess the compliance and effectiveness of the latter's activities as a quasi-public sector entity, a state audit was conducted by a working group formed from the employees of the Internal Audit Department of the Ministry of National Economy of the Republic of Kazakhstan.

The results of this audit were reflected in the audit report No. 1 dated March 20, 2023, prepared by the working group.

In the course of the analysis of this report, it was established that the working group did not find any facts of unprofitability of the Company's activities, exceeding the limits of expenses established by regulatory legal acts, official abuses or corruption factors in the work of its officials.

#### **Appeals and publications on cases of corruption or abuse of office**

In the observed period, the Company did not receive written appeals, as well as appeals to the [senim@kazakhexport.kz](mailto:senim@kazakhexport.kz) and **the Senim** helpline **8 (7172) 55 44 70**, containing information about abuses or corruption in the actions of officials and employees of the Company, as well as cases of fraudulent actions on their part.

There were no complaints or claims from individual entrepreneurs and legal entities participating in the procurement of goods and services announced by the Company.

Periodical, television and electronic media (mass media), as well as social networks, did not contain publications, articles, notes mentioning information about cases of fraud in the Company, corruption and abuse of office among its officials and employees.

The total number of mentions of the Company and its activities in social networks and the media for the 1st quarter of this year amounted to 401 mentions.

Of these: 152 mentions of the Society were in a positive way;

202 were neutral (news reports);

47 – mentions with a negative tone.

During the monitoring, it was found that all 47 mentions with a negative tone related to a written notification received on March 15, 2023 from the Agency of the Republic of Kazakhstan for the Protection of Competition about the presence of signs of anticompetitive actions in the Company's actions.

In particular, the notification stated that the text of insurance contracts concluded with a number of exporting clients did not include conditions on counter obligations of customers in accordance with Article 27 of the Law of the Republic of Kazakhstan On Industrial Policy.

The validity of the facts indicated in the notification is currently being investigated with a view to taking appropriate action.

### **Information from legal statistical bodies, international and non-governmental organizations**

As part of the monitoring, in order to identify and verify information on the possible commission of corruption offenses, documents on claim work carried out by employees of the Legal Support Department during the first quarter, official Internet resources of the Financial Monitoring Agency of the Republic of Kazakhstan, the Anti-Corruption Agency of the Republic of Kazakhstan (Anti-Corruption Service), the Supreme Court of the Republic of Kazakhstan, the Committee of the General Prosecutor's Office of the Republic of Kazakhstan on Special Accounting and Legal Statistics were studied.

In the course of the study, the capabilities of the information and reference service "Kompra" were also used.

During the observed period, there were no cases of initiation of criminal cases and criminal prosecution for committing corruption offenses of employees and officials of the Company.

There were no facts of initiation of proceedings against the Company and its officials in cases of administrative corruption offenses.

There were no court proceedings in criminal cases and cases of administrative corruption offenses with the participation of the Company, its employees and officials.

All court proceedings that are held with the participation of the Company relate to civil cases in such categories of disputes as the recovery of a penalty and recognition as unscrupulous suppliers of services/goods (claims from the Company to suppliers), recovery of losses incurred as a result of insurance payments, disputes in cases of refusal of the Company to pay insurance compensation.

During the observed period of time on the Internet resources of international and non-governmental organizations, such as the United Nations, the Eurasian Development Bank, the World Bank, Transparency International (a non-governmental international organization for combating corruption and investigating the level of corruption), FATF (an international organization - Group for the development of measures to combat money laundering) there were no mentions of corruption in the Company's activities or about its operations to legalize the proceeds of crime.

The Company is not in the lists of organizations unsuitable for business cooperation posted on the World Bank's Internet Resource (World Bank Debarred List), as well as in the lists of organizations and persons suspected of financing terrorism and extremism posted on the Internet resource of the Financial Monitoring Agency of the Republic of Kazakhstan.

### **Compliance with anti-corruption restrictions and standards**

During the monitoring, using the capabilities of the information and reference service "Kompra", as well as public Internet resources, social networks "In Contact", FACEBOOK, information in official periodical electronic media and from law enforcement agencies, possible cases of non-compliance of the Management Board officials and employees of the Company with anti-corruption restrictions and standards provided for by the norms of the Law of the Republic of Kazakhstan "On Combating Corruption" and the Anti-Corruption Policy in Society were checked..

No facts of non-compliance with the anti-corruption restrictions and standards have been established: there were no references and information about the presence of accounts and deposits in banks located outside the Republic of Kazakhstan for members of the Management Board and employees of the Company, lobbying for personal interests when considering draft transactions concluded by the Company with clients and suppliers of services (goods), joint work of close relatives and in-laws in the Company, use for personal purposes and disclosure confidential information.

There are no cases of admission to the staff of the Company as employees of persons who have committed corruption crimes, which is confirmed by the availability of relevant certificates issued by the territorial bodies of the Committee of the General Prosecutor's Office of the Republic of Kazakhstan on Special Accounting and Legal Statistics in the electronic personal files of employees formed by the Department for Human Resource Management.

### **Monitoring of changes in anti-corruption legislation**

In the observed period of time, the Compliance Service prepared an overview for members of the Management Board and heads of structural divisions regarding Law No. 188-VII "On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Combating Corruption and Ensuring the Security of Persons Subject to State Protection" dated January 3, 2023, including the activities of quasi-public sector entities.

Most of the amendments and additions to the listed legislative acts came into force on March 7, 2023.

Amendments and additions have been made to the Criminal Code, the Criminal Procedure Code, the Labor Code and 8 legislative acts, including the Law "On Combating Corruption".

As a result of the review and discussion of new legislative changes, letters were prepared and sent to the Anti-Corruption Agency (Anti-Corruption Service) and the Ministry of

Justice with a request to provide clarifications on certain points of the above-mentioned legislative act.

### **The presence of a conflict of interest and its settlement**

In the observed period, there were no cases of conflict of interest in the current work of the Company's officials and employees.

### **Formation of an anti-corruption culture**

As part of the implementation of anti-corruption training measures, the Compliance Service and the Human Resources Management Department conducted internal training and testing for managers and employees on anti-corruption standards and restrictions in force in the quasi-public sector.

On March 31, 2023, employees of the Compliance Service took part in a forum on the development of anti-corruption compliance in the quasi-public sector, initiated by the Anti-Corruption Agency together with the Association of Compliance and Business Ethics.

## **III. Concluding Part**

### **Conclusions:**

There are no confirmed cases of corruption and cases of corporate fraud in the Company's activities in the observed period.

Anti-corruption restrictions and standards in the current work of the Company's officials and employees are observed.

### **Recommendation:**

Prepare and make amendments and additions to the Internal Labor Regulations, standard forms of employment contracts, as well as other internal documents of the Company to bring their individual sections and clauses in line with the amendments and additions to the Labor Code and the Law of the Republic of Kazakhstan "On Combating Corruption" entered into force on March 7, 2023 in the part related to employers and the quasi-public sector.

**K. Kabsamatov**

**Head of the Compliance Service**