

Analytical report on the results of the internal analysis of corruption risks in the activity Export Credit Agency of Kazakhstan JSC

Astana

November 1, 2024

1. The introductory part:

The full name of the object of internal analysis of corruption risks:

PR Service (previously referred to as the Department of Information and Communications) (hereinafter referred to as the Division) Export Credit Agency of Kazakhstan JSC (hereinafter referred to as the Company).

The basis for conducting an internal analysis of corruption risks:

1) Order of the Chairman of the Management Board of the Company dated 14.08.2024 No. 125-Θ "On conducting an internal analysis of corruption risks in Export Credit Agency of Kazakhstan JSC" (hereinafter - the Order);

2) Order of the Chairman of the Management Board of the Company dated 25.09.2024 No. 145-Θ "On Amendments to the Order dated 14.08.2024 No. 125-Θ "On Conducting an internal analysis of corruption risks in Export Credit Agency of Kazakhstan JSC".

The period of conducting an internal analysis of corruption risks:

from August 15, 2024 to October 17, 2024.

The analyzed period of activity of the object of internal analysis of corruption risks:

January 1, 2023 – August 31, 2024.

The internal analysis of corruption risks was carried out in accordance with paragraph 5 of Article 8 of the Law of the Republic of Kazakhstan "On Combating Corruption", the Standard Rules for Conducting Internal Analysis of Corruption Risks, approved by Order No. 12 of the Chairman of the Agency of the Republic of Kazakhstan for Civil Service Affairs and Anti-Corruption dated October 19, 2016 (hereinafter referred to as the Standard Rules), Methodological Recommendations on Internal analysis of corruption risks in the activities of state bodies, organizations and quasi-public sector entities, approved by Order No. 488 of the Chairman of the Agency of the Republic of Kazakhstan for Combating Corruption dated December 30, 2022 (hereinafter referred to as Methodological Recommendations), the Company's Anti-Corruption Policy approved by the decision of the Company's Management Board dated September 29, 2023 (Protocol No. 66), internal regulatory documents of the Company and the Order of the Chairman of the Management Board of the Company.

The internal analysis of corruption risks was carried out in the following areas:

- Identification of corruption risks in the Company's internal regulatory documents;
- Identification of corruption risks in the organizational and managerial activities of the Company.

In accordance with the Order, the following composition of the working group on conducting an internal analysis of corruption risks in the Organization's activities was approved:

- Head of the working group: A.S. Zhakaeva, Head of the Compliance Service;
- Member of the working group: B.M. Tumenbayev, Chief Compliance Officer of the Compliance Service.

2. Identification of corruption risks in the Company's internal regulatory documents:

In order to identify corruption risks, the following internal regulatory documents (hereinafter referred to as IRD) were analyzed Companies that regulate the activities of the Division:

1) Instructions on planning, storage, distribution of souvenirs and advertising and printing goods of KazakhExport Export Insurance Company JSC, approved by the decision of the Board of KazakhExport ESC JSC dated March 31, 2023 (Minutes No. 18) (hereinafter - the Instruction);

2) Regulations on the procedure for Managing reputational Risk and Dissemination of Information of the KazakhExport Export Insurance Company Joint Stock Company, approved by the decision of the Board of the KazakhExport ESC JSC dated September 14, 2022 (Minutes No. 58) (hereinafter - the Regulations).

In the process of analyzing the norms of the above-mentioned internal regulatory documents of the Company regulating the activities of the Division and its organizational and managerial activities, the following discoveries were revealed.

2.1. The current version of the Instruction contains a legal gap consisting in the absence of regulation of issues related to the procedure for storing inventories within the framework of the Unit's activities.

Recommendation:

To the PR Service, according to paragraph 18 of the Instruction, make changes / additions providing for the regulation of issues related to the procedure for storing goods /products within the framework of the Unit's activities.

2.2. According to the Methodological recommendations:

1) indicators of the existence of broad discretionary powers are the absence of certain deadlines for decision-making, their wide range or the absence of such a deadline;

2) indicators of legal and linguistic uncertainty are the wording contained in the provision, which has an unclear or ambiguous meaning and thus allows for improper interpretations.

Recommendation:

The PR service should make changes/additions to the Instructions providing for the timing or frequency of monitoring the relevance of Products, criteria for "relevance" or "non-relevance" of products, as well as criteria for determining companies used to monitor the market of purchased products.

2.3. According to the Methodological Recommendations, discrepancies or contradictions between individual legal acts, internal documents regulating the same or related legal relations, as well as contradictions arising in the process of law enforcement activities and the exercise by officials of the object of analysis of their powers are an indicator of a conflict of provisions of legal acts and internal documents.

It is necessary to update the Instructions and Regulations in accordance with the current organizational structure of the Company.

Recommendation:

The PR Service should update the Instructions and Regulations, taking into account the changed name of the Company and the changed names of the Company's structural divisions, in accordance with the current organizational structure of the Company.

2.4. Since August 20, 2024, the Law of the Republic of Kazakhstan "On Mass Media" has been put into effect, according to Article 36 of which, a response to requests for information not included in official communications is submitted within 5 (five) working days from the date of its receipt in the form and language of the received request, unless otherwise specified in the request itself.

According to the Methodological Recommendations, the conflict of provisions of legal acts and internal documents – discrepancies or contradictions between individual legal acts, internal documents regulating the same or related legal relations, as well as contradictions arising in the process of law enforcement activities and the exercise by officials of the object of analysis of their powers, is an indicator of the corruption of the norm.

Recommendation:

1) the PR service should amend paragraph 2) paragraph 33 of the Regulations regarding the deadline for responding to requests for information not included in official communications, in accordance with the Law of the Republic of Kazakhstan "On Mass Media";

2) the PR service should update the Regulations taking into account the Law of the Republic of Kazakhstan "On Mass Media" that has become invalid and the Law of the Republic of Kazakhstan "On Mass Media" that has entered into force.

2.5. According to the Methodological Recommendations, an indicator of legal and linguistic uncertainty is the use of terms that are not used by legislation, which are not explicitly defined/explained in the text of the draft and which do not have a wide, widespread use that would give them a single and uniform meaning.

In accordance with paragraph 20 of the Instructions for the development, coordination, approval of internal regulatory and standard forms of documents of JSC Export Credit Agency of Kazakhstan, the text of the IRDs is set out in compliance with the norms of grammatical and stylistic rules of the literary language, relevant legal/economic terminology and should be extremely concise and contain a clear and non-interpretable meaning. The use of outdated and ambiguous words, expressions, epithets, metaphors, and abbreviations of words is not allowed.

Based on the above, the Working Group concludes that it is necessary to update the Regulations taking into account the detection.

Recommendation:

The PR service should update the Regulations regarding the change of terms/ words that meet the requirements of paragraph 20 of the Instructions for the development, coordination, approval of internal regulatory and standard forms of documents of Export Credit Agency of Kazakhstan JSC.

2.6. Appendix 4 of the Regulations defines internal regulatory documents and other information required to be posted on the Company's Internet resource.

When studying the list in Appendix 4 of the Regulations, it was found that some documents or information have lost their relevance or the requirement to post on the Company's Internet resource does not apply to the Company's activities.

In accordance with the Methodological Recommendations, the activity of the object of analysis, resulting from its organizational and managerial activities, is transparency and publicity of activities.

Recommendation:

The PR Service, together with the interested structural divisions of the Company, should take measures to update the documents posted in the "Corporate Documents" section of the Company's Internet resource.

2.7. In accordance with the Law of the Republic of Kazakhstan dated January 23, 2024 No. 54-VIII "On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on the Export Credit Agency and promotion of exports of non-primary goods (works, services)", the Company withdrew from the regulation of the Law of the Republic of Kazakhstan "On Insurance Activities" and some other regulatory legal acts of the Republic of Kazakhstan, in particular Resolution No. 259 of the Board of the National Bank of the Republic of Kazakhstan dated October 29, 2018 "On Approval of the Rules for Posting Information on the Internet Resource of an Insurance Organization, an Insurance Broker, a branch of an insurance (Reinsurance) non-Resident Organization of the Republic of Kazakhstan, a branch of an insurance broker non-resident of the Republic of Kazakhstan, an organization, guaranteeing the implementation of insurance payments to policyholders (insured, beneficiaries) in the event of liquidation of insurance organizations, forced termination of the activities of branches of insurance (reinsurance) organizations that are non-residents of the Republic of Kazakhstan, the insurance ombudsman, the organization for the formation and maintenance of a database" (hereinafter - Resolution of the National Bank of the Republic of Kazakhstan No. 259).

During the analysis, it was found that the following internal regulatory documents of the Company were posted on the Company's Internet resource, the requirement for the placement of which was established by Resolution No. 259 of the National Bank of the Republic of Kazakhstan.

Similar requirements for posting and updating these documents and information on the Company's Internet resource are given in Appendix 2 of the Regulations.

Thus, it was established that at the date of the analysis, there are no legal requirements for posting insurance rules and information on the amount of insurance tariffs on the Company's Internet resource, which accordingly requires the elimination of discrepancies or contradictions between certain rules of the Regulations and certain internal regulatory documents of the Company.

At the same time, according to paragraph 19 of the Methodological Recommendations, legal acts and internal documents are studied in conjunction with other legal acts and internal documents.

Based on the above, there is a need to update Appendix 2 of the Regulations and the contents of the Company's Internet resource.

Recommendation:

1) the PR service, together with the interested structural divisions of the Company, to ensure the elimination of discrepancies or contradictions between the norms of the Regulations and certain internal regulatory documents of the Company, taking into account the Company's withdrawal from the regulation of the Law of the Republic of Kazakhstan "On Insurance Activities";

2) Taking into account the updating of Annex 2 of the Regulations, the PR service, together with the interested structural divisions of the Company, update the contents of the Company's Internet resource.

2.8. The Working Group analyzed the section "Public Council" of the Company's Internet resource.

According to the Law of the Republic of Kazakhstan "On Public Councils":

in their activities, the Public Council and its members are obliged to inform the public at least twice a year about the activities of the Public Council through the mass media and (or) Internet resources (paragraph 3) paragraph 2 of Article 7 of the Law);

in their activities, the Public Council and its members are obliged to publish in the mass media and (or) post on the Internet resource of the relevant state body, local government body, quasi-public sector entity an annual report on their activities (paragraph 4) paragraph 2 of Article 7 of the Law);

The Public Council informs the population about the results of its interaction with civil society and state bodies, as well as subjects of the quasi-public sector; the composition of the Public Council; the agenda of meetings; decisions taken; other issues of public importance in the media and (or) on relevant Internet resources (Article 14 of the Law).

Appendix 2 to the Regulations also does not contain information related to the activities of the Public Council of the Company, necessary for publication in accordance with the Law of the Republic of Kazakhstan "On Public Councils".

The Working Group took into account that due to the expiration of the powers of the members of the Public Council of the Company in June this year, the new composition of the Public Council is at the stage of selection and formation at the date of the analysis.

In accordance with the Methodological Recommendations, the activity of the object of analysis, resulting from its organizational and managerial activities, is transparency and publicity of activities.

Recommendation:

1) The PR service, together with the Legal Support Department of the Company, update Appendix 2 of the Regulations, taking into account the above requirements of the Law "On Public Councils";

2) The PR Service, together with the Legal Support Department of the Company, take measures to publish information and documents in the section "Public Council" in accordance with the requirements of the Law "On Public Councils" for 2023 and the 1st (first) half of 2024.

3. Identification of corruption risks in the organizational and managerial activities of the Company.

In accordance with paragraph 18 of the Policy, organizational and managerial activities include the following issues:

- 1) personnel management, including staff turnover;
- 2) conflict of interest settlement;
- 3) compliance of the activities of the IRD Division of the Company and the legislation of the Republic of Kazakhstan.

3.1. In 2023 and until August 31, 2024, employees of the Division were not brought to disciplinary responsibility, complaints and reports of illegal actions of employees of the Division through hotline channels, as well as as a result of direct appeals to the management of the Company were not received.

3.2. In the reporting period, there was no conflict of interest in the activities of the Division.

3.3. The facts of non-compliance of the IRD of the Company with the legislation of the Republic of Kazakhstan in the activities of the Division are given in the results of the analysis in the direction "Identification of corruption risks in the internal regulatory documents of the Company".

3.4. During the analyzed period, training was conducted for employees of the Department:

- 1) 28.02.2023 on the topic "Anti-corruption restrictions and standards in the quasi-public sector";

- 2) 23.06.2023 on the topic "Business processes of a company exposed to fraud risks";
- 3) On 22.11.2023 on the topic "Legislation of the Republic of Kazakhstan on combating corruption and fraud and the application of its norms in the current activities of the company";
- 4) On 14.05.2024 on the topic "On guarantees of protection and non-prosecution of employees of Export Credit Agency of Kazakhstan JSC and persons reporting information on cases of corruption or fraud in the Company."

4. CONCLUSION:

Based on the results of the analysis of IRD affecting the activities of the Division, recommendations were given on updating, making changes/additions to the Instructions for Planning, Storing, distributing souvenirs and advertising and printing goods of KazakhExport Export Insurance Company JSC and the Regulations on the Procedure for Managing Reputational Risk and Dissemination of Information of KazakhExport Export Insurance Company Joint Stock Company, and also updating the content of the Company's Internet resource.

Based on the results of the Analysis of the organizational and managerial activities of the Unit, no corruption risks were identified.

Approved by

Chairman of the Management Board of Export Credit Agency of Kazakhstan JSC
A. Chaizhunusov

Head of the PR service Sh. Khamitova

November 15, 2024

**Action plan to eliminate the causes and conditions conducive to the commission of corruption offenses
identified by the results of an internal analysis of corruption risks in Export Credit Agency of Kazakhstan
JSC (hereinafter - the Company)
Company's PR Service**

S/p No.	Recommendation	Activity	Activity completion form	Performers	Activity deadline
1.	According to paragraph 18 of the Instructions on Planning, Storage, distribution of souvenirs and advertising and printing goods of KazakhExport Export Insurance Company JSC, make changes/additions providing for the regulation of issues related to the procedure for storing goods/products within the framework of the Division's activities.	Amendments/additions to the Instructions on planning, storage, distribution of souvenirs and advertising and printing goods of KazakhExport Export Insurance Company JSC	Amendments/additions approved by the authorized body of the Company to the Instructions on planning, storage, distribution of souvenirs and advertising and printing goods of KazakhExport Export Insurance Company JSC	PR service	january 2025
2.	The PR service should make changes/additions to the Instructions on planning, storage, distribution of souvenirs and advertising and printing products of KazakhExport Export Insurance Company JSC, providing for the timing or frequency of monitoring the				

	relevance of Products, criteria for "relevance" or "non-relevance" of products, as well as criteria for determining companies used for monitoring the market of purchased products.				
3.	The PR service should update the Instructions on planning, storage, distribution of souvenirs and advertising and printing goods of KazakhExport Export Insurance Company JSC and the Regulations on the Procedure for Managing Reputational Risk and Distributing Information of KazakhExport Export Insurance Company Joint Stock Company, taking into account the changed name of the Company and the changed names of the Company's structural divisions, in accordance with the current organizational structure of the Company.	Amendments/additions to the Instructions on Planning, Storage, distribution of souvenirs and advertising and printing goods of KazakhExport Export Insurance Company JSC and the Regulations on the Procedure for Managing Reputational Risk and Dissemination of Information of KazakhExport Export Insurance Company Joint Stock Company	Amendments/additions approved by the authorized body of the Company to the Instructions on Planning, Storage, Distribution of souvenirs and advertising and Printing goods of KazakhExport Export Insurance Company JSC and the Regulations on the Procedure for Managing Reputational Risk and Dissemination of Information of KazakhExport Export Insurance Company Joint Stock Company	PR service	January 2025
4.	The PR service should amend paragraph 2) paragraph 33 of the Regulations on the Procedure for Managing Reputational Risk and Disseminating Information of the KazakhExport Export Insurance Company Joint Stock Company regarding the deadline for responding to requests for information not included in official communications, in accordance with the Law of the Republic of Kazakhstan "On Mass Media".	Amendments/additions to the Regulations on the Procedure for Managing Reputational Risk and Dissemination of Information of KazakhExport Export Insurance Company Joint Stock Company	Amendments/additions approved by the authorized body of the Company to the Regulations on the Procedure for Managing Reputational Risk and Dissemination of Information of the KazakhExport Export Insurance Company Joint Stock Company	PR service	January 2025
5.	The PR service should update the Regulations on the procedure for managing reputational risk and dissemination of Information of the KazakhExport Export Insurance Company Joint Stock Company,				

	taking into account the Law of the Republic of Kazakhstan "On Mass Media" that has become invalid and the Law of the Republic of Kazakhstan "On Mass Media" that has entered into force.				
6.	The PR service should update the Regulations on the Procedure for Managing Reputational Risk and Disseminating Information of the KazakhExport Export Insurance Company Joint Stock Company in terms of changing terms/words that meet the requirements of paragraph 20 of the Instructions for the Development, Coordination, approval of Internal regulatory and Standard Forms of documents of the Export Credit Agency of Kazakhstan JSC.				
7.	The PR Service, together with the interested structural divisions of the Company, should take measures to update the documents posted in the "Corporate Documents" section of the Company's Internet resource.	Sending a memo from the PR service to the interested structural units (hereinafter referred to as the ISU) and responses from the ISU about the need or lack of need to update documents posted in the "Corporate Documents" section of the Company's Internet resource.	A memo from the PR service to the Compliance Service with information on the results of the work carried out to update the documents posted in the "Corporate Documents" section of the Company's Internet resource.	PR Service, ISU	January 2025
8.	The PR Service, together with the interested structural divisions of the Company, should ensure the elimination of discrepancies or contradictions between the norms of the Regulations on the Procedure for Managing Reputational Risk and dissemination of information of KazakhExport Export Insurance Company Joint Stock Company and certain internal regulatory documents of the Company, taking into account the Company's withdrawal from the regulation of	Amendments/additions to the Regulations on the Procedure for Managing Reputational Risk and Dissemination of Information of KazakhExport Export Insurance Company Joint Stock Company	Amendments/additions approved by the authorized body of the Company to the Regulations on the Procedure for Managing Reputational Risk and Dissemination of Information of the KazakhExport Export Insurance Company Joint Stock Company	PR Service, ISU	January 2025

	the Law of the Republic of Kazakhstan "On Insurance Activities";				
9.	Taking into account the updating of Appendix 2 of the Regulations on the Procedure for Managing Reputational Risk and Dissemination of information of the KazakhExport Export Insurance Company Joint Stock Company, the PR service, together with interested structural divisions of the Company, should update the contents of the Company's Internet resource.	1) Amendments/additions to the Regulations on the Procedure for Managing Reputational Risk and Dissemination of Information of KazakhExport Export Insurance Company Joint Stock Company; 2) Information from the PR Service to the Compliance Service about the results of updating the content of the Company's Internet resource	1) Amendments/additions approved by the authorized body of the Company to the Regulations on the Procedure for Managing Reputational Risk and Dissemination of Information of the KazakhExport Export Insurance Company Joint Stock Company; 2) A memo from the PR Service to the Compliance Service	PR Service, ISU	January 2025
10.	The PR Service, jointly with the Legal Support Department of the Company, should update Annex 2 of the Regulations on the Procedure for Managing Reputational Risk and Disseminating Information of the KazakhExport Export Insurance Company Joint Stock Company, taking into account the above requirements of the Law "On Public Councils";	Amendments/additions to the Regulations on the Procedure for Managing Reputational Risk and Dissemination of Information of KazakhExport Export Insurance Company Joint Stock Company	Amendments/additions approved by the authorized body of the Company to the Regulations on the Procedure for Managing Reputational Risk and Dissemination of Information of the KazakhExport Export Insurance Company Joint Stock Company	PR Service, Legal Support Department	January 2025
11.	The PR Service, together with the Legal Support Department of the Company, take measures to publish information and documents in the section "Public Council" in accordance with the requirements of the Law "On Public Councils" for 2023 and the 1st (first) half of 2024.	A memo from the PR Service to the Department of Legal Support on the need to provide and publish information and documents in the section "Public Council" in accordance with the requirements of the Law "On Public Councils"	A memo from the PR Service to the Compliance Service on the results of the publication of information and documents in the section "Public Council" in accordance with the requirements of the Law "On Public Councils"	PR Service, Legal Support Department	January 2025