

Results of anti-corruption monitoring, held at “EIC “KazakhExport” JSC for 2021

I. Introduction

1. The name of the subject of the quasi-public sector, whose activities were subject to anti-corruption monitoring: “EIC “KazakhExport” JSC (hereinafter referred to as the Corporation, company).

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

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3. The period of anti-corruption monitoring: started on December 23 and ended on December 31, 2021.

I. Information and analytical part

Anti-corruption monitoring was carried out in accordance with Article 7 of the Law of the Republic of Kazakhstan dated November 18, 2015 No. 410-V ZRK “On Struggling Corruption”, in accordance with the “Rules for Anti-Corruption Monitoring”, approved by the Order of the Chairman of the Anti-Corruption Agency of the Republic of Kazakhstan (Anti-Corruption Service) dated January 28, 2020 No. 22 and Chapter 4 of the Anti-Corruption Policy approved by the decision of the Management Board of the Company (Protocol dated June 13, 2018 No. 414).

According to Article 7 of the Law "On Struggling Corruption", paragraphs 6 and 7 of the "Rules for Anti-Corruption Monitoring", the subject of anti-corruption monitoring is information related to the effectiveness of anti-corruption policy, the state of law enforcement practice in the field of struggling corruption, as well as the perception and assessment of the level of corruption by society.

Sources for anti-corruption monitoring are:

- 1) data of legal statistics bodies;
- 2) appeals of individuals and legal entities on anti-corruption issues;
- 3) information from non-governmental and international organizations;
- 4) data from sociological surveys on anti-corruption issues;
- 5) publications in mass media;
- 6) other sources of information not prohibited by law.

Company activities

The Company has the status of a National Company and its sole shareholder is “Baiterek” National Managing Holding” JSC.

The Company is an insurance (reinsurance) company with a license No. 2.1.55 to carry out insurance (reinsurance) activities in the General Insurance industry, issued on May 21, 2018 by the National Bank of the Republic of Kazakhstan.

The Company does not provide public services and does not have control and licensing functions.

One of the main tasks of the Company is to support the growth of exports of non-commodity goods, works, services in priority sectors of the economy and the formation of the practice of financial, insurance and non-financial support for the Kazakh enterprises.

During the observed period, financial resources for the implementation of the program for the development of the export potential of the Republic of Kazakhstan were not transferred to the Company from the authorized state bodies and national development institutions.

Previously received funds for the implementation of tasks related to financial and insurance support for exporters were placed in second-tier banks.

Reports on their use are provided on a regular basis to the responsible ministries.

There were no claims from the latter regarding the use of these funds in 2021.

During 2021, the Agency of the Republic of Kazakhstan for the Regulation and Development of the Financial Market did not apply supervisory response measures to the Company due to the absence of violations of the requirements of the license to carry out insurance (reinsurance) activities, as well as the provisions of regulatory legal acts in terms of prudential standards mandatory for insurance organizations limits, formation and presentation of financial statements.

The principles of transparency and openness of activity in the company are observed.

Thus, the company has its own corporate Internet resource, and its informational content is constantly carried out by placing press releases on the achievements and results of the Company's work.

Access to the specified resource is not limited to visitors.

In accordance with the requirements of the regulatory legal acts of the National Bank and the Agency of the Republic of Kazakhstan for the Regulation and Development of the Financial Market, the indicated resource contains information on the financial statements and indicators of the company, on the members of its management body and executive body, copies of constituent and corporate documents and other necessary information.

There is a blog of the Chairman of the Management Board, where any visitor of the Internet resource can ask a question or send an application or complaint.

Also, taking into account the requirements of the Law of the Republic of Kazakhstan "On Public Councils" dated November 2, 2015 No. 383-V ZRK, in 2021 the Company's Public Council was formed, consisting of 12 members and its meetings were held.

Presence of a structural unit responsible for ensuring the functions of anti-corruption compliance

The Company ensured compliance with the requirement of paragraph 3 of Article 16 of the Law "On Struggling Corruption" on the availability of the anti-corruption compliance service.

This is the Compliance Service of the Company, which, in turn, is accountable only to the Board of Directors of the latter, which ensures the principle of independence of its work.

Currently, the Compliance Service consists of 2 full-time employees - the Head and the Chief Compliance Controller, data on which are posted in the corresponding section of the corporate Internet resource.

The tasks, principles of work organization and functions of the Employees of the Compliance Service are stipulated in the Regulations on this unit and job descriptions approved by the decision of the Board of Directors (Protocol of August 27, 2020 No. 8 and Protocol of September 25, 2020 No. 9).

Employees of the Compliance Service are responsible for interacting with colleagues from the Anti-Corruption Compliance Service of the "Baiterek" National Managing Holding" JSC and authorized agencies represented by the Ministry of National Economy, as well as the Anti-Corruption Agency of the Republic of Kazakhstan (Anti-Corruption Service) on the organization and implementation of measures to Struggling Corruption in the activities of the Company.

Appeals and publications about cases of corruption or abuse of office

In the observed period, the Company received 4,039 documents from organizations and government agencies and 6 applications from individuals and legal entities as incoming documentation.

At the same time, among them there are no appeals about cases or the presence of information about manifestations of corruption or abuse done by the Officials or Employees of the Company.

The trust e-mail senim@kazakhexport.kz and the helpline "Senim" 8(7172) 55 44 70 during the observed period of time did not receive messages from representatives of legal entities and from citizens about abuse or corruption in the actions of the Officials or Employees of the Company.

During the observed period of time, there were about 2,270 publications in the media and social networks mentioning the Company and its officials.

Of them:

Publications with a positive tone - 1,237 mentions.

Publications with a neutral tone - 1,026 mentions.

Publications with a negative tone - 3 (posts on facebook and on the information resource) mentions.

Of these publications, only one is directly related to the Company, while the rest mention the Company sporadically.

At the same time, negative topics did not contain publications regarding corruption offenses and manifestations in the actions of the Officials or Employees of the Company.

The main critics were the creation of public councils in national companies, the lack of efficiency in the transfer of budget funds for the development of national companies.

Sociological surveys on anti-corruption issues were not conducted in the Company, however, in September 2021, the Compliance Service, together with the Department of Information and Communications, organized an anonymous survey of the Company's customers and counterparties to assess the level of anti-corruption in the Company's activities.

The survey was carried out by computer by sending the appropriate link to the customers and partners about the completion of the survey.

The survey involved 21 respondents from among the clients and suppliers of services and goods cooperating with the Company.

Based on the results of the survey, they did not note the facts of corruption manifestations, abuses in the activities of the Officials or Employees of the Company.

Information from legal statistics authorities, international and non-governmental organizations

According to Article 1 of the Law “On Struggling Corruption”, a corruption offense is an unlawful guilty act that has signs of corruption, for which administrative or criminal liability is established by law.

During 2021, there were no cases of corruption offenses committed by the Employees or Officials of the Company, and there were no court proceedings in such cases.

During the observed period of time, no information was received from international and non-governmental organizations, as well as from the Committee on Legal Statistics and Special Accounts of the General Prosecutor's Office of the Republic of Kazakhstan and its territorial departments regarding corruption manifestations in the activities of the Company, its Employees or Officials.

Financial control measures

As part of the second stage of the universal declaration of income, persons exercising managerial functions in quasi-state organizations and their spouses were required to submit a declaration on their income and property no later than September 15, 2021 (Article 11 of the Anti-Corruption Law).

In the course of anti-corruption monitoring, it was established that these financial control measures were observed: members of the Management Board of the Company and their spouses submitted declarations of income and property to the territorial bodies of state revenues no later than September 15.

Compliance with anti-corruption restrictions

In accordance with Article 12 of the Anti-Corruption Law and the Anti-Corruption Policy in the Company, control over compliance by persons performing managerial functions in the Company with the following anti-corruption restrictions previously assumed by them is ensured:

- 1) carrying out activities incompatible with the performance of state functions;
- 2) inadmissibility of joint service (work) of close relatives, spouses and in-laws;
- 3) the use of official and other information that is not subject to official distribution in order to obtain or extract property and non-property benefits and advantages;
- 4) acceptance of material remuneration, gifts or services for actions (inaction) in favor of the persons who provided them, if such actions are included in the official powers of the persons specified in paragraph one of this paragraph, or these persons, by virtue of their official position, can contribute to such actions (inaction);
- 5) opening and holding accounts (deposits) in foreign banks located outside the Republic of Kazakhstan, keeping cash and valuables in foreign banks located outside the Republic of Kazakhstan.

During the monitoring, no facts of violations of these restrictions by persons performing managerial functions in the Company were revealed.

Compliance with the ban on employment in quasi-state organizations of persons who have committed corruption crimes

From January 11, 2021, in accordance with the Law of the Republic of Kazakhstan dated December 30, 2020 No. 393-VI "On amendments and addendums to certain legislative acts of the Republic of Kazakhstan on the implementation of certain provisions of the Address of the Head of State to the people of Kazakhstan dated September 1, 2020 "Kazakhstan in a new reality: time for action" was introduced a ban on employment in quasi-state organizations of persons who committed corruption crimes.

In order to ensure compliance with this prohibition in the Company, when applying for a job, a certificate of the absence of a corruption crime is requested.

In addition, in July, the responsible Employees of the Company and the Ministry of National Economy of the Republic of Kazakhstan (as part of the execution of the order of this ministry) verified the data of 90 full-time Employees (including members of the Management Board) through the specialized Information System "Special Accounts".

Violations of the above legislative prohibition are not allowed.

Creation of an anti-corruption culture

Creation of an anti-corruption culture is carried out through a set of measures of an educational, informational and organizational nature, and is also the responsibility of each entity to struggle corruption.

In order to improve the skills of the employees of the Compliance Service, this year they took part in 2 online seminars that were organized by the Anti-Corruption Agency of the Republic of Kazakhstan (Anti-Corruption Service) on the issues of conducting an internal analysis of corruption risks and the work of anti-corruption compliance.

For their part, the Compliance Service and the Human Resources Management Department organized 4 seminars in the observed period as part of the internal training of the Company's personnel using presentation materials on topics related to the Company's anti-corruption policy, legal acts of the Republic of Kazakhstan on struggling corruption, issues of affiliates and persons associated with the insurance company with special relations, conflicts of interest, struggling fraud and corruption in the organization and procurement of goods, works and services in the quasi-public sector.

Testing was organized for the listeners in order to consolidate the acquired knowledge.

Internal analysis of corruption risks

In April-May 2021, in order to fulfill paragraph 116 of the National Action Plan for the implementation of the Message of the Head of State of September 1, 2020, instructions of the Office of the Prime Minister of the Republic of Kazakhstan No. 23-14/01-82//413 p. 116 of March 19 2021, the Company conducted an internal analysis of corruption risks.

For this, according to the order of Acting Chairman of the Management Board of the Company No. 20-ø dated April 6, 2021, the Working Group was formed from among the employees of the Compliance Service and related structural divisions.

The analysis covered the activities of 19 structural divisions and the activities of 6 Employees of the Company who are not included in the structural divisions.

The number of internal regulatory documents of the Company covered by the analysis is 170.

The number of internal regulatory documents that identify factors that entail corruption risks is 12.

By the decision of the Management Board of the Company No. 35 dated May 28, 2021, the Action Plan was approved to eliminate the causes and conditions conducive to the commission of corruption offenses identified based on the results of the internal analysis of corruption risks (hereinafter referred to as the Plan), containing 13 recommendations based on the results of the internal analysis of corruption risks,

necessary measures, deadlines for their implementation, as well as responsible executors.

At the date of the anti-corruption monitoring, 3 recommendations from the above Plan have been fully implemented, 1 - partially implemented, 9 - at the implementation stage.

Procurement of goods, works and services

The Company purchases goods, works and services on the Eurasian electronic procurement portal Mitwork.kz., about which information is posted for suppliers on the Company's corporate Internet resource with a link to the specified portal.

In addition, active links to announcements and lots of the Company are available on the web portal of public procurement of the Republic of Kazakhstan goszakup.gov.kz in the section "Purchasing of the quasi-public sector (not subjects of public procurement)".

The very process of organizing and conducting the procurement of goods, works and services is regulated by the relevant Instruction approved by the Decision of the Management Board of the Company (Protocol No. 56 dated September 30, 2021).

In turn, this instruction is drawn up taking into account the requirements of the Rules for the Procurement of Goods, Works and Services by National Control Holdings, National Holdings, National Companies and Organizations, fifty or more percent of the voting shares (stakes in the authorized capital) of which directly or indirectly belong to the national control holding, a national holding, a national company, approved by order of the First Deputy Prime Minister of the Republic of Kazakhstan - Minister of Finance of the Republic of Kazakhstan dated October 31, 2019 No. 1201.

In order to prevent the occurrence of risks of fraud and corruption, the Compliance Service regularly, as the Company's structural divisions initiate procurement, checks to identify the affiliation and reliability of counterparties that have been selected or identified as suppliers of goods, works and services.

During the observed period of time, the Company did not allow cases of concluding transactions with suppliers (about 175 checks were carried out for the reliability of counterparties that were selected or identified as suppliers of goods, works and services), which were included in the lists of unscrupulous suppliers of public procurement, procurement, organized national management holdings, as well as those with large tax debts, declared bankrupt or inactive taxpayers.

Also, there were no cases of concluding transactions with suppliers recognized as affiliated with respect to the Company.

I. Final part

Conclusions:

1) the main factors that create high corruption risks in the activities of the Company were not found based on the results of the monitoring;

2) it is necessary to complete in the first half of 2022 the remaining activities stipulated by the Plan;

3) plan to repeat the internal analysis of corruption risks in the business processes of the Company in accordance with the established procedure.

4) an objective public assessment of the activities of "EIC "KazakhExport" JSC is appropriate.

It is possible to find out by organizing appropriate sociological surveys, which were not previously conducted in the Company's activities.

It is desirable to organize their holding in 2022.

5) The Procurement Department is recommended to develop a new internal regulatory document for organizing and conducting procurement of goods, works and services due to the fact that from January 1, 2022 the above rules for the procurement of goods, works and services by national managing holdings, national holdings, national companies will lose their force.

6) in order to implement the principle of transparency in the activities of the Company, it is advisable to place these results of the anti-corruption monitoring conducted on the corporate Internet resource of the Company.

K.Absamatov

Head of Compliance Service