

Analytical report
based on the results of the internal analysis of corruption risks
in FSC of RES LLP

Astana

December 26, 2022

Based on the order №1-91-2022 of the General Director of "FSC of RES" LLP Nalibayeva G.K. dated November 09, 2022, "On conducting of internal analysis of corruption risks in "FSC of RES" LLP and in accordance with the Methodological Recommendations on the internal analysis of corruption risks, approved by the Agency of the Republic of Kazakhstan on combating corruption dated April 07, 2021, internal analysis of the activity of "FSC of RES" LLP on claim and lawsuit work for the identification of corruption risks.

Subject of the analysis:

Identification of corruption risks in claim and enforcement work of structural subdivisions of "FSC of RES" LLP with the involvement of independent expert from the Ministry of Energy of the Republic of Kazakhstan.

Analysis period:

From November 14, 2022 till December 26, 2022.

Object of analysis:

- Department of contracts;
- Department of legal support and administrative and economic support;
- Financial department.

Analyzed period of activity:

January 1, 2021 through September 30, 2022.

Internal analysis of claims and litigation work provides for the following areas:

- 1) identification of corruption risks in normative legal acts and internal normative legal acts affecting the activities of the structural subdivisions;
- 2) identification of corruption risks in organizational and management activities of structural units.

The working group used as sources for analysis the following normative legal acts, internal regulations, provisions, agreements, contracts, documents confirming the fulfillment of the contract, etc. and other documents affecting the activities of the respective structural units.

1. Identification of corruption risks in the legal acts and internal documents regulating the activities of FSC of RES LLP on claim and enforcement work

The Partnership carries out its activities in accordance with Law of RK dated July 4, 2009 №165-GM "On support of use of renewable energy sources", Law of RK dated July 9, 2004 №588-P "On Electric Power Industry", the Charter, normative legal acts in the field of electric power industry, as well as internal legal acts in the field of electric power industry, as well as internal normative documents of the Partnership.

1. In order to study and evaluate the materials, a list of legal acts and internal documents regulating the activity of the object of analysis was formed:

1. Regulatory legal acts regulating the activity of "FSC of RES" LLP in the direction of the RES market and electric capacity market:

- Civil Code of the Republic of Kazakhstan;
- Civil Procedure Code of the Republic of Kazakhstan;
- Notary Law;
- Law of the RK "On Electric Power Industry";
- Law of the Republic of Kazakhstan "On Supporting the Use of RES";
- Model contracts on the electric capacity market and on the RES market, approved by the authorized body;
- normative legal acts regulating the procedure for concluding contracts;
- other normative legal acts in the field of electric power industry;

2. Internal documents:

- accounting policy of FSC of RES LLP;
- tax accounting policy of FSC of RES LLP;
- regulations on work with debts and claim and enforcement work;
- Instruction on accounting of receivables and payables;
- register of contracts on the capacity market;
- register of contracts for the RES market;
- register of claims to conditional consumers;
- register of claims to consumers of the capacity market.
- register of procurement contracts for 2021;
- register of procurement contracts for 2022;
- register of public procurement contracts as of 30.09.2022;
- register of contracts on state employment contracts;
- register of court cases for 2021-2022;
- register of executive inscriptions;

- civil contract with Bekbulatov D.;
- civil contract with Zhumagaliev B.;
- register of the Acts of Completed Work of RES for purchases for 2021;
- Register of the Acts of Completed Works of RES for sales for 2021;
- register of the Acts of Completion for other activities for 2021;
- Register of the Acts of Completion for RES purchases for 2022;
- register of the Acts of Completed Works of RES for sales for 2022;
- register of the Acts of Work performed for other activities for 2022;
- register of ORM Acts of work performed by consumers for 2021;
- Register of ORM Acts of Work Performed by Consumers for 9 months of 2022;
- Register of ORM Acts of Completed Works by EPO for 2021;
- Register of ORM Acts of Completed Works for EPO for 9 months of 2022.

Analytic part

Legal acts and internal documents were analyzed for the presence of corruption risks in the conclusion and implementation of contracts based on the following indicators:

- 1) absence of anti-corruption clauses in contracts;
- 2) repeated conclusion of contracts with one organization when there exist offers from other organizations with similar or more beneficial terms;
- 3) existence of affiliated companies, execution of diversified and unrelated works by the contractor;
- 4) no or reduced penalties to the counterparty;
- 5) non-application of sanctions in case of breach of contractual obligations;
- 6) significant adjustments of terms and conditions at the stage of contract execution;
- 7) failure to timely file a claim against the counterparty for breach of contractual obligations;
- 8) unjustified dismissal of claims or legal proceedings in the event of breach of contractual obligations by counterparties;
- 9) lack of acts regulating the procedure of claim and lawsuit work;
- 10) lack of mechanisms for studying counterparties in order to prevent conflicts of interest and affiliation.

and in the following areas of activity of FSC of RES LLP:

Activities in the RES market

Conclusion of contracts on RES market activities both with objects of RES and with conditional objects of RES, as well as with conditional consumers, is

carried out in accordance with standard form approved by the order of the Minister of Energy of the Republic of Kazakhstan. No deviations from the standard form were noted when concluding contracts. At the same time, the standard form does not contain norms on anti-corruption commitment (anti-corruption clause) of the Partnership and the counterparty (RES object and conditional consumer).

Electricity purchase agreements with RES objects are concluded on the basis of the register of auction winners, provided by the auction organizer (KOREM JSC), and the list of energy producing organizations using RES, formed by the Ministry of Energy of the RK, with a validity period of 20 years.

Independent determination of counterparties for conclusion of contracts on the part of FSC of RES LLP is not allowed by the legislation and no facts of violation of the legislation were revealed.

The Law on RES establishes the definition of "conditional consumer" and the obligation of all conditional consumers to conclude a contract with FSC of RES LLP for the purchase of RES electricity on an annual basis.

The list of conditional consumers is determined in accordance with the order of the Minister of Energy of the Republic of Kazakhstan "On Approval of the Group of Energy Producing organizations selling electric energy". Work on conclusion of Contracts with conditional consumers were concluded in accordance with the established procedure.

Summarizing the above, it is noted that the Partnership has not received any appeals on violations of regarding contract conclusion procedures.

The Law on RES establishes the deadline for conditional consumers to fulfill their obligations to FSC of RES LLP namely, payment for the purchased RES electricity within 30 calendar days after the settlement period (month). At the same time, in case of violation of the established term pre-trial and judicial settlement measures are taken. Thus, on June 28, 2021 the Acting General Director of FSC of RES LLP approved the Regulations on work with debts and claim and enforcement work (hereinafter referred to as - Regulations). The Regulations regulate the procedure of pre-trial and judicial settlement of disputes, calculation and accrual of penalties (fines), punitive damages, interest, filing and consideration of disputes, percentages of presentation and consideration of claims and lawsuits, arising during the execution of contracts.

40 claims were sent to energy producing organizations (conditional consumers), 9 applications were sent to notaries for execution inscriptions, notaries executed inscriptions on 9 applications, debt amounts were recovered in full, 1 execution inscription towards [REDACTED] was cancelled.

3 statements of claim for disputes with conditional consumers (in relation to [REDACTED]) for the recovery of debt, penalties and expenses for the execution

inscription. As a result of consideration of the cases, mediation agreements were concluded. When concluding mediation (settlement) agreements, RFC RES LLP was guided by the Regulations and adhered to the principle of equal conditions for all counterparties.

On the claim of FSC of RES LLP against [REDACTED] on amendments to the Electricity Purchase Agreement from an energy producing organization using renewable energy sources at fixed tariffs was partially satisfied.

Two claims were filed against FSC of RES LLP.

The claim of [REDACTED] against FSC of RES LLP regarding the settlement of terms and conditions of the purchase contract by the Financial Settlement Center to conditional consumers of electric energy produced by renewable energy facilities was denied. The claim of [REDACTED] against FSC of RES LLP, [REDACTED] regarding invalidation of the electric energy purchase contract by the Financial Settlement Center from the energy producing organization and application of the consequences of invalidity of the transaction was dismissed.

Besides, during the mentioned period there were filed applications for execution of enforcement notices and statements of claim to the court for the recovery of debts arisen during the period not covered by this analysis.

Availability of primary documents regulating the procedure for conducting claim and lawsuit work is confirmed by the register of reconciliation acts.

We note that the claim and enforcement work of the structural subdivisions is carried out in accordance with the requirements of the Regulations. At the same time, in connection with the transfer of the Partnership into state ownership (from KEGOC JSC to the Committee of State Property and Privatization of the Ministry of Finance of the Republic of Kazakhstan) and approval of the new organizational structure of the Partnership (solution of SB №4 dated November 02, 2022), the Regulations require updating with due regard to the norms and requirements of regulatory legal acts and internal regulatory documents in the field of combating corruption.

Capacity market activities

Conclusion of contracts for activities on the electric capacity market with both consumers and power generating organizations are carried out in accordance with the standard forms of contracts, approved by the order of the Minister of Energy of the Republic of Kazakhstan. Contracts on ensuring the readiness of electric capacity for load-carrying are concluded annually with capacity market consumers, included in the list of capacity market consumers. The list of capacity market consumers is placed on the Internet resource of the system operator (KEGOC JSC) and is updated by the system operator in the event of changes in the composition of capacity market consumers. As of September 30, 2022, 398 supply contracts were concluded.

With regard to power generating organizations, contracts for provision of the services for maintaining the readiness of electric capacity are concluded for long-term and short-term periods in accordance with paragraph 3-1 of Article 15-3 of the Law "On Electric Power Industry".

At present, FSC of RES LLP has concluded 55 contracts for the provision of services to maintain the availability of electric capacity, including:

- winners of auction bidding, determined by the results of the auction bidding (*long-term contracts on the basis of the register of the winners of the auction*);

- currently operating energy producing organizations that have concluded an investment agreement for modernization, expansion, reconstruction and (or) renewal with the authorized body (*long-term contracts on the basis of concluded investment agreements with MoE RK*);

- currently operating energy producing organizations, which include combined heat and power plants (*annual contracts on the basis of the information provided by the Market Council*);

- currently operating energy producing organizations based on the results of centralized trades in electric capacity at prices and in volumes, that were formed as a result of these trades (*annual contracts based on the register of winners of centralized trades*).

Thus, the list of capacity market consumers and energy producing organizations, with which contracts are concluded on the capacity market, are determined by the legislation of the Republic of Kazakhstan. "FSC of RES" LLP did not reveal any facts of independent determination of counterparties for conclusion of contracts.

Deviations from these standard forms were detected in the following clauses:

- *clause 16 of the Security Deed* - "The Supplier shall submit the invoice to the Consumer not later than fifteen **calendar** days after the end of the relevant billing period" (*brought in line with the Tax Code of the RK*) (*The standard form of the Contract specifies 15 **working** days*);

- *clause 26 of the Maintenance Agreement* - "All disputes or disagreements, arising from the essence of this Contract shall be settled through negotiations of the Parties.

In the event that disputes and disagreements arising out of this Contract cannot be resolved through negotiations, then such disputes and disagreements shall be resolved in accordance with the legislation of the Republic of Kazakhstan. In this case, all disputes arising under this Contract shall be subject to consideration in the court **at the location of the Single Purchaser.**" (*in connection with absence of branches of "FSC of RES" LLP*) (*amendments and additions to the standard form of the contract were made*)

We consider these deviations to be reasonable and not contradicting to the norms of the current legislation of the Republic of Kazakhstan.

We note that the legislation of the Republic of Kazakhstan stipulates obligations of all subjects of the wholesale electricity market to conclude a contract with a Single Purchaser (“FSC of RES” LLP), while it does not provide for the any obligations of the Single Purchaser to conclude contracts with them. Moreover, the timeframes for making a decision to conclude a contract with capacity market consumers between the parties to the contract are not regulated. Further, due to the absence of legislative norms on decision-making by the Single Procurer (as conclusion or non-conclusion of the contract), no work is carried out to study counterparties in order to prevent conflict of interest and affiliation, as well as for the presence of affiliated companies, performance by the counterparty of diversified and unrelated work. Therefore, the presence of affiliation and conflict of interest cannot be a reason for refusal to conclude a contract with both consumers and energy producing organizations.

Further, the standard forms of contracts on the capacity market also do not provide for norms on anti-corruption commitment (anti-corruption clause) of the Partnership and the counterparty (capacity market consumer and energy producing organization).

In terms of fulfillment of obligations, the Law "On Electric Power Industry" stipulates the obligation of capacity market consumers to pay for the service of ensuring readiness of electric capacity to carry the load to a Single Purchaser (within 30 calendar days after the end of the month of provision of this service (settlement period)).

Procedure for pre-trial settlement of disputes, calculation and accrual of penalties (fines), penalties and interest, punitive sanctions, percentages of filing and consideration of claims and lawsuits arising in the course of fulfillment of contracts is determined by the requirements of the Regulations.

As a result of violation of payment terms, 510 claims and lawsuits were sent to the consumers of the capacity market in the specified period and 36 applications were submitted to the notary for execution inscription. In total, 20 cases on debts and disputes arisen during the analyzed period were considered in courts, including those on claims of FSC of RES LLP (with regard to [REDACTED])

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]).

Concerning the claim of FSC of RES LLP with regard to [REDACTED] in [REDACTED]

satisfaction of the claims for compulsion to conclude the contract was denied. On debt collection claims there were concluded mediation agreements or decisions were made to satisfy the claims. The legislation of the Republic of Kazakhstan does not stipulate a norm prohibiting exclusion of a wholesale market subject of electric energy from the list of consumers of the capacity market, formed by the System Operator and included in the forecast demand for the coming year.

7 claims were filed against FSC of RES LLP, on the claim initiated by ██████████ in respect to "FSC of RES" LLP there was concluded a mediation agreement. The claim initiated by ██████████ in respect to "FSC of RES" LLP for debt collection is denied, The claim initiated by ██████████ in respect to "FSC of RES" LLP on recognizing the actions as illegal, collection of the sum and penalty - refused (the decision has not entered into legal force). Claims ██████████ against FSC of RES LLP on compulsion to conclude an agreement on provision of services to ensure readiness of electric capacity to carry the load for 2022 are satisfied. It should be noted that the legislation of the RK in the field of electric power industry does not provide for a direct obligation of "FSC of RES" LLP to conclude the Contract, and there is no norm prohibiting "FSC of RES" LLP to refuse to conclude the Contract due to bad faith of the counterparty (existence of debts).

██████████ three times appealed to the court instances against FSC RES LLP, the court considered the civil case on the claim of ██████████ in regards of "RFC RES" LLP on recognition of illegal additional charge for services on ensuring readiness of electric capacity to carry the load in the period from December 1 to December 31, 2021, the claim was denied in full.

When concluding mediation (amicable) agreements, FSC of RES LLP, similarly to RES activities, was guided by the Regulations and adhered to equality for all counterparties.

Also, during the mentioned period, applications for execution of enforcement notices, as well as civil cases with participation of "FSC of RES" LLP on disputable relations for the period not covered by this analysis were considered. We note that claim and claim work of structural subdivisions is performed in accordance with the requirements of the Regulations. At the same time At the same time, in connection with the transfer of the Partnership into state ownership (from KEGOC JSC to the Committee of State Property and Privatization of the Ministry of Finance of the Republic of Kazakhstan) and approval of the new organizational structure of the Partnership (solution of Supervisory board dated 02.11.2022, №4), the Regulations need to be updated taking into account the norms and requirements of normative legal acts and internal regulatory documents in the field of anti-corruption.

On procurement contracts

FSC of RES LLP in the period from January 1, 2021 till June 13, 2022 has been a subsidiary of KEGOC JSC and carried out procurement activities in accordance with the Standard for Procurement Management of Joint Stock Company "National Welfare Fund "Samruk-Kazyna" and organizations fifty and more percent of voting shares (participatory interest) of which directly or indirectly belong to Samruk-Kazyna JSC by right of ownership or trust management dated September 09, 2019 (Minutes of the Management Board №31/19 dated September 9, 2019) (hereinafter - the Standard). During this period, all purchases were conducted electronically in accordance with the approved Annual Procurement Plan of the Partnership, all work in the field of procurement was carried out at the portal of Samruk-Kazyna JSC (www.zakup.sk.kz).

Contracts with suppliers of goods, works and services were concluded within the established timeframe and without violations.

There were no appeals on violations of procurement procedures. There were no appeals in judicial bodies in respect of the Partnership to recognize it as an unfair participant of procurement.

On June 13, 2022, re-registration in the justice authorities was carried out and "FSC of RES" LLP was transferred under the management of the Ministry of Energy of the Republic of Kazakhstan (on the basis of the Resolution of the Government of the Republic of Kazakhstan dated November 30, 2021 №858 "On some issues of the limited liability partnership "Financial Settlement Center of Renewable Energy Sources" and the corresponding act of acceptance-transfer, the right to own and use 100% state share in the authorized capital of "FSC of RES"LLP), as a result of which it falls under the Law of the Republic of Kazakhstan "On State Procurement", approved by the Order of the Minister of Finance of the Republic of Kazakhstan dated December 11, 2015 №648, which came into effect on January 1, 2016. Public Procurement approved by Order of the Minister of Finance of the Republic of Kazakhstan №648 dated December 11, 2015, which came into effect on January 1, 2016.

As part of ensuring transparency of procedures, the Law transferred 100% of public procurement into electronic format on the platform of the web portal of public procurement of the Republic of Kazakhstan (address: www.goszakup.gov.kz). The form of the contract for the purchase of goods and services is developed on the basis of the Model Contract on Public Procurement posted on the public procurement portal.

For the period from January 2021 to September 2022, there were concluded 14 purchase contracts in accordance with the requirements of the Standard and 4 contracts on public procurement web portal <https://zakup.sk.kz>.

The legislation in the field of public procurement provides exhaustive grounds for awarding public procurement contracts using the "single source by direct contracting" method (Art. 39(3)).

In addition, the web portal of public procurement requires justification documents when placing the public procurement plan on the web portal of public procurement. Thus, for example, when selecting the basis of subparagraph (3) of paragraph 3 of Article 39 *"acquisition of goods, services, which are objects of intellectual property, from the person who has the exclusive rights in respect of the acquired goods..."* the Customer shall have to attach the relevant supporting documents (Certificate of Intellectual Property Rights, etc.) when placing the public procurement plan. In addition, during the process of concluding public procurement contracts, the authorized body in the field of public procurement within the framework of desk control checks the legality of the concluded public procurement contracts.

Thus, there are no corruption risks in the framework of public procurement.

2. Identification of corruption risks in the activities of the object of analysis in organizational and managerial activities (personnel management, settlement of conflicts of interest, provision of public services, implementation of control functions and other issues arising from organizational and managerial activities) on claims and lawsuits.

During the period of analyzing the activities of "FSC of RES" LLP on the subject of identification of corruption risks, the Partnership was guided in its activities by the Law of the Republic of Kazakhstan "On Combating Corruption", the Charter of "FSC of RES" LLP and the Regulations. After approval of internal normative acts on combating corruption and introduction of the new organizational structure of "FSC of RES" LLP approved by the decision of the Supervisory Board of "FSC of RES" LLP (Minutes №4 dated November 02, 2022), the Partnership is governed by the following internal regulatory acts:

- Anti-corruption policy in "FSC of RES" LLP (solution of the Supervisory Board of "FSC of RES" LLP dated November 02, 2022 (Minutes №4));
- Instruction on Combating Corruption and Commercial Bribery of "FSC of RES" LLP (solution of the Supervisory Board of "FSC of RES" LLP dated November 02, 2022 (Minutes №4));
- Anti-Corruption Standards of "FSC of RES" LLP (solution of the Supervisory Board of "FSC of RES" LLP dated November 02, 2022 (Minutes №4));
- Policy on Conflict of Interest Resolution in "FSC of RES" LLP (solution of the Supervisory Board of "FSC of RES" LLP dated November 02, 2022 (Minutes №4));

- Code of Business Ethics of "FSC of RES" LLP (solution of the Supervisory Board of "FSC of RES" LLP dated November 02, 2022 (Minutes №4));
- Regulations on the anti-corruption compliance service (Compliance Officer) of FSC of RES LLP (solution of the Supervisory Board of FSC of RES LLP dated September 23, 2022 (Minutes №3));
- Regulations on work with debts and claim and lawsuit work (order of Acting General Director of FSC of RES LLP dated June 28, 2021);
- Regulations on work with debts and claim and lawsuit work (order of Acting General Director of FSC of RES LLP dated June 28, 2021);
- Regulations on the Department of Electricity power Sale and Capacity Market (Order of the General Director dated December 02, 2022 №1P1-105-2022);
- Regulations on the Legal Department (Order of the General Director dated December 02, 2022 №11-105-2022);
- Regulations on the Finance Department (Order of the General Director dated December 02, 2022 №11-105-2022);

Corruption risks in organizational and management activities in the area of claim and lawsuit work were carried out on the following issues:

- 1) personnel management;
- 2) settlement of conflicts of interest;
- 3) provision of public services;
- 4) implementation of permissive functions;
- 5) realization of control functions;
- 6) other issues arising from organizational and management activities of the subject of the analysis.

Personnel management

During the period of the analysis the functions on carrying out of claim and lawsuit work of the Partnership in the analyzed period were assigned to the following structural subdivisions:

Contracts Department - 16 persons (16 persons in actual fact);

Department of Legal and Administrative Support - 3 persons (2 persons in actual fact);

Financial Department - 8 persons (6 persons in actual fact);

With the introduction of the new organizational structure of "FSC of RES" LLP (since December 5, 2022), the functions of claiming and lawsuit work of the Partnership are assigned to the following structural divisions:

Department of Electricity Sales and Capacity Market – 13 persons (13 persons in actual fact);

Legal Department - 4 persons (change in the number of employees due to the withdrawal of administrative and economic and the HR service were transferred to independent structural subdivisions, 2 persons in actual fact);

Financial Department - 6 persons (6 persons in actual fact).

When carrying out claims and lawsuit work the employees of the above mentioned structural divisions were guided by their job descriptions. After the new organizational structure was put into effect, the functions of conducting claim and lawsuit work are carried out in accordance with the regulations of the above structural divisions and personal job descriptions.

Thus, in the regulations on the Department of Electricity Sales and Capacity Market the following functions are assigned to the department - correspondence with counterparties, state authorities, claim and lawsuit work.

The Legal Department is responsible for timely preparation and submission of applications for execution of lawsuit actions, appeals, cassation complaints, answers and objections to claims and lawsuits brought against the Partnership, ensuring the execution of court decisions.

The finance department is responsible for daily processing of bank statements, monitoring of cash receipts to the current accounts of the Partnership in order to provide information to the responsible divisions and control over compliance with the requirements of the Government Decree of RK № 960 dated September 14, 2004.

In addition, the job descriptions of the above-mentioned structural divisions contain functional responsibilities for conducting claims and litigation work.

Conflict of interest management

While analyzing the activities for corruption risks, the working group did not identify any facts of affiliation in the occupation of vacant positions by close relatives who are directly subordinate to the heads of departments. Also, the analysis did not reveal any facts of conflict of interest and violations of anti-corruption restrictions and prohibitions.

Provision of public services

The Partnership does not provide any State services.

Implementation of licensing and control functions

The Partnership does not perform licensing and control functions.

Final part

The analysis of the activities to identify corruption risks in the structural divisions of the Partnership has shown that, despite the measures taken to reduce the causes and conditions leading to corruption both in regulatory legal acts and in organizational and managerial activities, there are still corruption risks which need to be mitigated in order to achieve more positive results of preventive anti-corruption measures.

Corruptogenic factor	Indicators	Recommendations
Legislative gap	<ol style="list-style-type: none"> 1) lack of provisions regulating the competence of the official and/or the object of analysis, which creates the opportunity for a random determination of powers for the purpose of unlawful benefit; 2) there is no procedural procedure ensuring the influence of a citizen or organization on the course of the administrative procedure; 3) there are no deadlines for administrative procedures; 4) a legal act or internal document does not establish full grounds and procedure for decision-making by an official of the object of analysis; 5) lack of provisions establishing liability for non-compliance with the requirements, which leads to their declarative nature and to the impossibility of practical use. 	<ol style="list-style-type: none"> 1. To initiate to the authorized body the amending of the model contracts with inclusion of the norm on anti-corruption commitment of the parties to the contract; 2. To initiate to the authorized body the introduction of amendments to the regulatory legal acts in terms of establishing the timeframes for consideration, approval, and conclusion of contracts on the capacity market by the same way as for conclusion of contracts on the RES market; 3. To initiate to the authorized body the introduction of amendments to the regulatory legal acts in terms of establishing the requirements for the verification of counterparties in order to prevent conflicts of interest and affiliation, as well as the presence of affiliated companies, the execution of diversified and unrelated works by the counterparty, as well as the regulation of further actions of the parties in case of occurrence of the above-mentioned cases. 4. To initiate to the authorized body the introduction of amendments to the regulatory legal acts with regard to the obligation of the Single Procurer to conclude contracts with the capacity market consumers.

		5. To initiate the authorized body the introduction of amendments to the regulatory legal acts to include the norm regulating the procedure for excluding wholesale power market entities from the list of capacity market consumers included in the forecast demand.
Updating of internal documents	<ol style="list-style-type: none"> 1) Modification of the organizational structure of the company; 2) Conversion to state ownership; 	Updating the regulations on work with debts and claims and lawsuits, taking into account the norms and requirements of regulatory legal acts and internal regulatory documents in the anti-corruption field.
Margin of appreciation	<ol style="list-style-type: none"> 1) absence or unclear grounds for making decisions by officials or executing other administrative procedures; 2) the ability of the of the official and/or the object of analysis to make several sorts of decisions or to refuse to make a decision; 3) absence of the obligation to motivate the taken managerial decision; 4) the absence of specific time frames for decision-making, a wide range of them, or the absence of such a time frame; 5) the opportunity of the official and/or the object of analysis to extend or shorten the established time frame without reasonable grounds; 6) possibility of the official and/or object of analysis to initiate at his/her own initiative the emergence of legal relations with individuals and legal entities, their modification or termination without a relevant motivation; 	To initiate to authorized body Amendments to the regulatory legal acts in respect of establishing terms for consideration, approval, and conclusion of contracts on the capacity market by the same way as for conclusion of contracts on the RES market.

	<p>7) the duplication of powers of officials and/or objects of analysis;</p> <p>8) the opportunity to determine the type and extent of penalty for non-compliance with the legislation at its own discretion;</p>	
<p>Determination of the right instead of the obligation of the officials</p>	<p>1) the use of the phrases " are entitled to", "may";</p> <p>2) availability of legal grounds for officials to make decisions at their own discretion;</p> <p>3) possibility of a body (official) to make several types of decisions in the case of one and the same grounds;</p>	<p>To initiate to the authorized body amendments to the typical forms of contracts on the capacity market in terms of specifying the possibility of accruing penalties in case of late payment by a capacity market consumer.</p>
<p>Conclusion of contracts with individuals and legal entities</p>	<p>1) absence of anti-corruption clauses in contracts;</p> <p>2) multiple conclusion of contracts with certain organizations in the presence of proposals from other organizations with similar or more favorable conditions;</p> <p>3) the existence of affiliated companies, fulfillment of performance by the counterparty of diversified and unrelated works;</p> <p>4) absence or reduced penalties to the counterparty;</p> <p>5) non-application of sanctions in case of breach of contractual obligations;</p> <p>6) significant adjustments of terms and conditions at the stage of contract execution;</p> <p>7) failure to timely file a claim against the counterparty for breach of contractual obligations;</p> <p>8) unjustified rejection of claims or legal proceedings in case of violation of contractual obligations by counterparties;</p> <p>9) the lack of acts regulating the procedure for claim and lawsuit work;</p>	<p>1. To initiate to the authorized body the introduction of amendments to the typical contracts with the inclusion of a norm on anti-corruption commitment (anti-corruption clause) of the parties to the contract;</p> <p>2. To initiate to the authorized body the amendment to the regulatory legal acts in terms of establishing requirements to check counterparties in order to prevent conflict of interest and affiliation, as well as the presence of affiliated companies, performance by the counterparty of diversified and unrelated work, as well as regulation of further actions of the parties in case of occurrence of the mentioned circumstances. Develop a procedure for inspection of counterparties in order to prevent conflicts of interest and affiliations.</p>

	10) lack of mechanisms to study counterparties in order to prevent conflicts of interest and affiliations.	
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