

KAZAKHSTAN

2021

TOBACCO  
INDUSTRY  
INTERFERENCE  
INDEX

# Introduction

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Despite the COVID-19 pandemic, 2020 was an important year for tobacco control in Kazakhstan. Against the tobacco industry's tremendous pressure, Kazakhstan approved several important tobacco control measures in July 2020, including: (i) display ban of all tobacco product in point of sale, (ii) total ban of smokeless tobacco market, and (iii) treating novel tobacco products (HTP, vapes, shisha), as cigarettes, it's use was also banned in public places, including open playground and driving while underaged in salone. Also, 65% pictorial health warning pictorials for HTPs, shisha and 3-4 fold increase in penalties for all tobacco related violations were initiated.

The Minister of Health (appointed in 2018) was able to re-focus national agenda to public health and tobacco control as a risk factor, albeit not the major for non-communicable diseases. The joint efforts of Smokefree Kazakhstan Coalition and the new team of the Ministry of Health have resulted in strong and successful tobacco control provisions in the Health Act in 2019-2020. But even with highly professional Minister of Health, tobacco industry (TI) domination in Kazakhstan is still significant and key politicians are exposed in every level and in media, especially on novel tobacco producers.

Overall, the current tobacco use prevalence among Kazakhstani adults is 21.5% (2,8 million) where 20.4% are active cigarette smokers. Cigarette smoking was far greater among males (42.2%) than females (4.2%) (GATS 2019)<sup>1</sup>. Each year about 18,000 people die due to tobacco related diseases as per World Bank informal projection of 2019 morbidity and mortality rates.

Since adoption of the Health Act in 2009, which allowed pioneering of the pictorial health warnings in post-Soviet region and 200% tax increase in 2013, no other tobacco control initiatives were undertaken in Kazakhstan. 110 tobacco control article Health Act's break-threw adopted in 2020 was developed based on WHO Framework Convention on Tobacco Control (FCTC) provisions (especially 100% smokefree policy, novel tobacco products regulations). Together with excise tax policy in Tax Code it had been the most attacked policies by tobacco industry.

The period of 2014-2018 was very challenging for advocating FCTC based interventions and resulted in the postponement of proposed tobacco control initiatives in Kazakhstan. In 2014, the Ministry of Health and Minister of Labor and Social Defence were merged into one. The head of the merged ministries was an economist with non-health background and was a known supporter of business union Atakemen where TI is a fee-paying member and has a strong influence. It was a difficult period for tobacco control when tobacco industry interference became obvious and brought severe barriers to progress on any public health policy in the country.

There are two major transnational tobacco producers – Philip Morris Kazakstan (PMK) and Japan Tobacco International (JTI) with 44% market share<sup>2</sup>, the rest six small local producers do not impact to market<sup>3</sup>. There are two major exporters, British American Tobacco and Imperial Brands.

As per Euromonitor prognosis, legal consumption of cigarettes in Kazakhstan continued to decline - from 21,2 billions sticks in 2018 year with further prognosis of 16 billion sticks by 2022<sup>4</sup>.

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<sup>1</sup> Shynar ABDRAKHMANOVA, Zarina KERUYENOVA *The Current State of MPOWER Policies in the Republic of Kazakhstan: Data from the Global Adult Tobacco Survey*, Iran Journal of Public Health, Vol. 48, No.5, May 2019, pp.834-840, <https://publish.knc-publishing.com/index.php/ijph/article/view/1799/1238>

<sup>2</sup> Euromonitor International Country report: *Tobacco in Kazakhstan*, June 2021 <https://www.euromonitor.com/tobacco-in-kazakhstan/report>

<sup>3</sup> *Kazakhstan people are smoking the cheapest cigarettes in the world*, Kursiv newspaper, 01.11.2019 <https://kursiv.kz/news/tendencii-i-issledovaniya/2019-11/kazakhstancy-kuryat-odni-iz-samykh-deshevnykh-sigaret-v-mire?page=32>

<sup>4</sup> Euromonitor International Country report: *Tobacco in Kazakhstan*, June 2021 <https://www.euromonitor.com/tobacco-in-kazakhstan/report>

This tendency was attributed to two major factors: the increase in excise duty and a desire for healthy living. Heated tobacco product (HTP) were introduced by PMK in 2016<sup>5</sup> and GLO by British American Tobacco followed by its extremely fast market growth in 2018<sup>6</sup>. HTP is expected to record a retail value of 119% over the forecast period as these products are heavily promoted as less harmful than cigarettes in 2018, while e-vapour products record a retail value decline of 10%. HTPs became the most lobbied among other tobacco products to senior political level in Kazakhstan. Meanwhile smokeless tobacco (snus) was banned in Kazakhstan since July 2020 due to Health Act<sup>7</sup>. Strong regulation of HTPs as cigarettes continued to be attacked by PMK which tries to weaken Health Act provisions at the senior political level.

FCTC in general and Article 5.3 guidelines especially, are neglected in Kazakhstan and not even considered as a country obligation. Therefore, this TI Interference Index is the only tool of providing civil society report on current Article 5.3 FCTC situation, government response to TI interference and related policy challenges. This report uses the questionnaire developed by the Southeast Asia Tobacco Control Alliance (SEATCA) based on the Article 5.3 guidelines. Information used in this report is obtained from the public domain. A scoring system is applied to make the assessment. The score ranges from 0 - 5, where 5 indicates highest level of industry interference, and 1 is low or no interference. Hence the lower the score, the better for the country.

This is the second year that we are recording tobacco industry interference in Kazakhstan. In the previous reporting period, the country scored 63/100, reflecting moderate to high levels of tobacco industry meddling. This year, Kazakhstan garnered the same score of 63/100, which showed no obvious improvement in government's response to protect public health policies and lawmaking from tobacco industry interference.

## Summary Findings

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**Overall findings:** This report has found that there are many ways in which the tobacco industry conducts its interference from funding of a major scientific institution which openly receives grants from PMK (for HTP privileges) to sponsoring charity fund<sup>8</sup> where senior politician is a founder<sup>9</sup>. TI is actively using front groups – business associations and unions, popular media and opinion leaders to confront public health messaging. As the result TI is very successful in undermining, postponing or blocking any of tobacco control initiatives in Kazakhstan. Regulation HTPs as cigarettes by Health Act is very uncomfortable for PMK which continues to weaken Health Act provisions on senior political level.

### I. INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

TI participates in the policy development indirectly through national business union Atakemen and in some cases directly, as revealed by Dirty Ashtray Award. Atakemen receives regular annual fees from transnational tobacco companies and play important force to block different public health initiatives at the national policy level. For example, in preparation to new Health Act advocacy Ministry of Health team had to run special regulatory analysis review which must be approved by Atakemen. Kazakhstan Ministry of Health must discuss the content with every business association which applied as Atakemen expert to comment any health. It makes tobacco control initiative advocacy extremely difficult, intense and sometimes almost impossible.

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5 PMK LLP website <https://www.minexkazakhstan.com/2019/en/exhibitors/philip-morris-international-pmi/>

6 Euromonitor International Country report: *Tobacco in Kazakhstan*, June 2021 <https://www.euromonitor.com/tobacco-in-kazakhstan/report>

7 Full text of Health Act with articles on legal platform [https://kodeksy-kz.com/ka/o\\_zdorove\\_naroda\\_i\\_sisteme\\_zdravoohraneniya.htm](https://kodeksy-kz.com/ka/o_zdorove_naroda_i_sisteme_zdravoohraneniya.htm)

8 Degdar Charity Fund official website <https://degdar.com/about> <https://degdar.com/projects/vremyen-svyazyuyushchaya-nit/>

9 Degdar Charity Fund official website <https://degdar.com/about/>

## 2. INDUSTRY CSR ACTIVITIES

CSR activities by tobacco companies is allowed in Kazakhstan and even stimulated by special CSR award «Paryz» established by President of Kazakhstan Decree in 2008<sup>10</sup>. TI had often been highly appraised by «Paryz». As result, NGO sector openly receives CSR sponsorship from TI where some charity NGOs are well known as long-term partners<sup>11</sup>.

There are no publicly available official records of any direct endorsement, support and partnerships of TI with government agencies.

## 3. BENEFITS TO THE INDUSTRY

There is no time-line benefits for implementation or postponement of tobacco control law known or supported.

But as for excise taxes (the only effective tobacco control intervention), TI was able to influence Eurasia custom union which unifies 5 countries (Armenia, Russia, Belarus, Kazakhstan, Kyrgyzstan) for privileged of substantially low excise tax was already ratified by Kazakstan Parliament in March 2021<sup>12</sup>. As per Eurasia custom union Tax Agreement is only 35 euro per thousand sticks will be achieved in 2024 and not more 20% increase will be allowed which shows significant benefits to the tobacco industry<sup>13</sup>.

## 4. UNNECESSARY INTERACTION

Unnecessary TI interaction happen at the senior level within different cultural and musical activities of charity fund under JTI sponsorship<sup>14</sup> which might also serve as access to key decision makers at the Government and Parliament level. Less senior but important TI interaction involve leading scientific institution which openly receive sponsorship by PMK to block HTP regulation advocacy in Health Act<sup>15, 16</sup> as well as other cases which were already revealed by Dirty Ashtrays in April 2021.

## 5. TRANSPARENCY

FCTC provisions and Article 5.3 FCTC guidelines are neglected in Kazakhstan. As a result there is no official nor informal regulation to disclose meetings/ interactions with tobacco industry including other TI entities, affiliated organizations, lobbyists and individuals acting on their behalf. Meeting with tobacco industry is a norm in Kazakhstan and in some cases even required by law (Business Act).

## 6. CONFLICT OF INTEREST

A well known ex-head of Atameken union who is currently work as MP and leader of Akzhol political party in Mazhilis regularly attempts to weaken tobacco control amendments<sup>17, 18</sup> inside Parliament. He never discloses conflict of interest.

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<sup>10</sup> Social responsibility of business "Paryz" Award Kazakstan President Decree, 2008 on Paragraph legal platform [https://online.zakon.kz/document/?doc\\_id=33497175](https://online.zakon.kz/document/?doc_id=33497175)

<sup>11</sup> Degdar Charity Fund official website <https://degdar.com/about> <https://degdar.com/projects/vremyen-svyazuyushchaya-nit/>

<sup>12</sup> Kazakhstan Parliament ratified Eurasia custom union Tax Agreement, Kazakhstan government website publication, 18.03.2021 <https://www.gov.kz/memleket/entities/economy/press/news/details/175228?lang=ru>

<sup>13</sup> Eurasia custom union Tax Agreement was signed, Eurasia custom union website publication, 24.12.2009 <http://www.eurasiancommission.org/ru/nae/news/Pages/24-12-2019-1.aspx>

<sup>14</sup> Degdar Charity Fund official website <https://degdar.com/projects/vremyen-svyazuyushchaya-nit/>

<sup>15</sup> Calling letter to Kazakhstan Minister of health on PMK sponsorship series of scientific articles by State Medical University <http://nosmoke.kz/2019/05/20/>

<sup>16</sup> FB post by leading scientist Kairat Davletov on PMK sponsorship series of scientific articles by State Medical University [https://m.facebook.com/story.php?story\\_fbid=680719462361692&id=100012709323874](https://m.facebook.com/story.php?story_fbid=680719462361692&id=100012709323874)

<sup>17</sup> Azat Peruashev supporting vaping by teenagers: NGO leader about tobacco lobby, Azzatyk ruhky media platform, 15.05.2020 by Seitkazin Ardak <https://rus.azattyq-ruhy.kz/analytics/9187-azata-peruasheva-ustraiyaet-cto-deti-pokupaiut-elektronnye-sigarety-obshchestvennisa-vyskazalas-o-provalnom-tabachnom-lobbi-mazhilismena>

<sup>18</sup> Tobacco lobby: parliamentarian advocates for vaping, Azzatyk ruhky media platform, 05.01.2020 by Seitkazin Ardak <https://rus.azattyq-ruhy.kz/analytics/3728-tabachnoe-lobbi-kto-iz-mazhilisnenov-prodvigaet-elektronnye-sigarety>

Meanwhile, some famous NGOs like Amansauyk<sup>19</sup> which previously publicly showed PMK as sponsors since 2014 deleted this link after revealing them as TI front group. Even NGOs do not disclose conflict of interest.

## **7. PREVENTIVE MEASURES**

As Article 5.3 guidelines are neglected in Kazakhstan no preventive measures have been put in place by the government and in parliament.

## **Recommendations**

1. Develop and implement a national awareness campaign to implement obligations the the FCTC Article 5.3;
2. Develop a Code of Rules to conduct and implement guidelines to prevent unnecessary interaction between TI and government officials. The Code of Rules should provide a transparent procedure in dealing with TI among government officials and politicians as well as NGOs, public academic institutions and scientists.
3. Ban all forms of tobacco-related CSR activities and TI sponsorship;
4. Collect and disclose records of all TI meetings and interference.

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<sup>19</sup> Social fund Amansauyk official web site <http://www.amansauyk.kz/ru/about/>

# 2021 Tobacco Industry Interference Index

## Results and Findings

	0	1	2	3	4	5
<b>INDICATOR I: Level of Industry Participation in Policy-Development</b>						
<b>1. The government<sup>20</sup> accepts, supports or endorses any offer for assistance by or in collaboration with the tobacco industry<sup>21</sup> in setting or implementing public health policies in relation to tobacco control<sup>22</sup> (Rec 3.1)</b>			<b>2</b>			
<p>There is no official or known evidence that any ministry or state agency receives direct offers or support for implementing public health policies in relation to tobacco control from the tobacco industry.</p> <p>However, it is known that the Atameken (National Chamber of Entrepreneurs of the Republic of Kazakhstan)<sup>23</sup> which has a membership of 180 business associations including tobacco companies, routinely provides expert technical support to policy development. TI regular annual fees as member of Atameken is used as a driving force to pursue different initiatives at the national policy level. Union experts are known to support and provide pro-tobacco technical assistance. Although its website does not show regular annual TI fees as an official member of Atameken, this particular strong connection is well known.</p> <p>In preparation to new Health Act initiatives, Kazakhstan Ministry of Health (MOH-Kz) conducted special regulatory analysis review (RAR) which must be approved by Atameken. Thus, MOH had to discuss the content with every business association which provided expert comments on this initiative which makes public health advocacy campaign difficult, intense and sometimes almost impossible. The RAR is used to delay tobacco control measures. For example, before final approval by Ministry of Economy, the RAR on tobacco display ban at point-of-sale was discussed 9 times and yet later was blocked by Vice-Prime Minister in October 2019. It took 6 months of MOH-Kz active advocacy supported by Kazakhstan Smokefree Coalition, in the Mazhilis (low chamber of the Parliament) to defend amendments for tobacco display ban in Health Act, scheduled for approval in 2020. At the same time RAR on 100% smoke-free, which includes elimination of designated smoking rooms from food-serving venues, was re-submitted 12 times and yet not approved in Health Act, as Atameken used aggressive tactics.</p>						
<b>2. The government accepts, supports or endorses <u>policies or legislation drafted by or in collaboration with the tobacco industry.</u> (Rec 3.4)</b>				<b>3</b>		
<p>Dirty Ashtray Award is well known public recognition of any attempts in drafting government accepts, supports or endorses policies or legislation in collaboration with the tobacco industry and applies for obvious lobbyists of the tobacco industry. In Kazakhstan it is the only evidence which defines TI lobbyists in public.</p> <p>In December 2020 Dirty Ashtray was awarded to Azat Peruashev,<sup>24</sup> - member of the parliament (MP), who was the former head of Atameken and TI supporter, who insisted the working group to send all tobacco control amendments for additional government re-approval two times with</p>						

<sup>20</sup> The term “government” refers to any public official whether or not acting within the scope of authority as long as cloaked with such authority or holding out to another as having such authority

<sup>21</sup> The term, “tobacco industry” includes those representing its interests or working to further its interests, including the State-owned tobacco industry.

<sup>22</sup> “Offer of assistance” may include draft legislation, technical input, recommendations, oversees study tour

<sup>23</sup> Business Association Atameken official website, mission section <https://atameken.kz/ru/pages/39-missiya-palaty>

<sup>24</sup> Dirty Ashtray Award press release of the Coalition on 2020, 24.12.2020 <http://nosmoke.kz/23541-grvaznaya-pepelnica-i-orhideya-2020-g.html>

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<p>the aim to significantly weaken it. Only due to MOH principal position all amendments had passed all barriers and had been finally approved on 13 May 2020 at the second Mazhilis hearing. Dirty Ashtray 2020 was highly considered during political election campaign and public debates<sup>25</sup>, as well as in media coverage<sup>26, 27</sup>. Also, social media channels with good coverage revealed tobacco lobbyists<sup>28</sup>. People and opinion leaders also begun openly address tobacco industry on Facebook<sup>29</sup>.</p> <p>In April 2021 year Dirty Ashtray revealed to the public<sup>30</sup> one obvious case of PMK interference with the Ministry of Trade (MOT). Together with one well known front group (National Industrial Chamber) and TI, MOT developed new national technical regulation on HTP and vapes. The aim of this initiative which started in October 2020 was to exclude HTPs from the Health Act regulation (article 110 which regulate all tobacco products)<sup>31</sup>. Together with MOH and the Coalition, this initiative was blocked and revealed by Dirty Ashtray award to the public and later widely covered by big media<sup>32,33</sup> including TV programs<sup>34</sup>.</p>						
<p><b>3. The government allows/invites the tobacco industry to sit in government interagency/ multi-sectoral committee/ advisory group body that sets public health policy. (Rec 4.8)</b></p>				3		
<p>It is almost obligatory for state bodies (ministries, agencies) to have experts approved by Atameken business union<sup>35</sup>. According to Business Act every law, norm and government initiative related to business should go through Atameken review and official approval. Also, members of Atameken can personally participate in every state committee and documents review as nominated experts. TI as Atameken members submit regular annual fees which allows them to participate in any multi-sectoral committees, advisory and any senior working groups. Given such monitoring position, Atameken became biggest influence platform and an effective barrier for any social and health intervention in Kazakhstan.</p> <p>It is also required by the Business Code,<sup>36</sup> that Ministry of Economy and Ministry of Finance must discuss excise tobacco policy with TI and Atameken members. Therefore, most of tax and economic related decision are drafted and shaped by the TI. For example, Kazakhstan applied only 25% annual tobacco tax increase which was approved by TI and Atameken<sup>37</sup>. The Ministry of Health's opinion on major tobacco excise increase is usually ignored.</p>						
<p><b>4. The government nominates or allows representatives from the tobacco industry (including State-owned) in the delegation to the</b></p>		1				

<sup>25</sup> FB post by Sadykova Jamilya, Coalition leader on Dirty Ashtray Award while political party election campaign, 27.12.2020 [https://facebook.com/story.php?story\\_fbid=10158323593389177&id=711854176](https://facebook.com/story.php?story_fbid=10158323593389177&id=711854176)

<sup>26</sup> *Ashtray and Orchid nominees announced*, Neonomad media platform, 25.12.2020 by Adel Rustemova <https://neonomad.kz/40708-2/> and re-post of Dirty Ashtray Award Coalition press release on janalyq.kz media platform <https://janalyq.kz/ru/news/3029>

<sup>27</sup> *Annual Dirty Ashtray Award: chief nominee is AkZhol party*, Optimism.kz media platform, 25.12.2020 by Amin Abdulmanov <https://optimism.kz/2020/12/25/ezhegodnaya-premiya-grvaznava-pepelnicza-glavnyi-priz-dostalsya-partii-ak-zhol/>

<sup>28</sup> *Dirty games of tobacco lobby* post on Baiki of the Left Bank telegram channel, 25.12.2020 [https://t.me/baiki\\_levogo/123](https://t.me/baiki_levogo/123) and *Astray for AkZhol party* on Basty katyrma telegram channel, 25.12.2020 [https://t.me/basty\\_katyrma/294](https://t.me/basty_katyrma/294)

<sup>29</sup> FB posts on opinion leaders on 25.12.2020 [https://m.facebook.com/story.php?story\\_fbid=3546992815336280&id=100000767898741](https://m.facebook.com/story.php?story_fbid=3546992815336280&id=100000767898741) and <https://www.facebook.com/u.abishev/posts/1283332858718009>

<sup>30</sup> Dirty Ashtray Award press release of the Coalition on 2021, 14.04.2021 <http://nosmoke.kz/23556-press-reliz.html>

<sup>31</sup> FB post by Sadykova Jamilya, Coalition leader on Dirty Ashtray Award 2021 to Ministry of trade and integration on IQOS lobby 21.04.2021 [https://m.facebook.com/story.php?story\\_fbid=10158595489164177&id=711854176](https://m.facebook.com/story.php?story_fbid=10158595489164177&id=711854176)

<sup>32</sup> *Activists awarded Ashtray Minister and MP*, Mail.ru platform publication, 14.05.2021 <https://news.mail.ru/society/46715624/?frommail=1> and on Nur.kz platform publication, 14.05.2021 <https://www.nur.kz/society/1916484-ministra-i-deputata-nagradili-aktivisty/>

<sup>33</sup> *Minister Sultanov had been awarded Ashtray with buts. MP Peruashev was awarded twicely*. Express K newspaper publication, 11.05.2021 <https://exk.kz/news/97308/ministru-sultanovu-vruchili-piepielnitsu-s-okurkami-u-mazhilismiena-pieruashevia-ikh-dvie>

<sup>34</sup> TV Astana media live on Dirty Ashtray Award and smoking [https://youtu.be/vByopYkH\\_NQ](https://youtu.be/vByopYkH_NQ)

<sup>35</sup> Business Association Atameken official website, mission section <https://atameken.kz/ru/pages/39-missiya-palaty>

<sup>36</sup> Business Act of Kazakstan (with articles) <http://adilet.zan.kz/rus/docs/K1500000375>

<sup>37</sup> Sadykova Jamilya: tobacco taxes are reflecting tobacco lobby interview on Coalition web <http://nosmoke.kz/2014/11/26/>

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<b>COP or other subsidiary bodies or accepts their sponsorship for delegates. (i.e. COP 4 &amp; 5, INB 4 5, WG)<sup>38</sup> (Rec 4.9 &amp; 8.3)</b>						
In 2018 there was an attempt by Atameken to include JTI representative to the COP in Geneva but it was not supported by Vice Ministry of Health and candidate was excluded from official delegation.						
<b>INDICATOR 2: Industry CSR activities</b>						
<b>5. A. The government agencies or its officials endorses, supports, forms partnerships with or participates in so-called CSR activities organized by the tobacco industry. (Rec 6.2)</b>						
<b>B. The government (its agencies and officials) receives contributions<sup>39</sup> (monetary or otherwise) from the tobacco industry (including so-called CSR contributions). (Rec 6.4)</b>					<b>4</b>	
<p>CSR activities by tobacco companies is allowed in Kazakhstan but it is NOT officially known of any direct endorses, supports and partnerships by government agencies.</p> <p>Most CSR are conducted within the special CSR “Paryz award” established by Kazakstan President Decree in 2008 to stimulate business for true CSR. The Order requires the Ministry of Labor, Ministry of Ecology and city’s councils to conduct «Paryz award» and accept all CSR proposals for award commission review, including tobacco industry<sup>40</sup>.</p> <p>PMK reported in 2020, the company’s “canteen services supplied and delivered food to healthcare workers and the most vulnerable groups of people” in Kazakhstan<sup>41</sup>. Additionally PMK also gave \$50,000 to Children’s City Clinic, Almaty, and \$910 to Public Foundation<sup>42</sup>.</p> <p>Earlier in December 2019, PMK received special CSR “Paryz” award for ecological approach for the best “green office”<sup>43</sup>. In 2018, PMK has received recognition from the President “For charitable and sponsorship activities in the cultural and humanitarian spheres”<sup>44</sup>. PMK conducts charity programs and spent about US\$252,000 in 2018<sup>45</sup>.</p> <p>JTI’s project with the Social Adaptation Center for Seniors in Astana, for elderly people is run in partnership with the Astana Organization of Veterans, Astana City Council, and Astana Employment Center.<sup>46</sup></p> <p>Meanwhile, NGO sector openly receives CRS sponsorship from TI. The most known is charity fund “Degdar”<sup>47,48</sup> where JTI is quoted as a partner which is sponsoring cultural activities on annual basis. Given such wide charity activities TI might have access to very senior political level for influencing or postponing tobacco control policies.</p>						
<b>INDICATOR 3: Benefits to the Tobacco Industry</b>						

<sup>38</sup> Please see annex a list since 2009 so that the respondent can quantify the frequency, <http://www.who.int/fctc/cop/en/>

<sup>39</sup> political, social financial, educations, community, technical expertise or training to counter smuggling or any other forms of contributions

<sup>40</sup> *Social responsibility of business “Paryz” Award* Kazakstan President Decree, 2008 on Paragraph legal platform

[https://online.zakon.kz/document/?doc\\_id=33497175](https://online.zakon.kz/document/?doc_id=33497175)

<sup>41</sup> *Community support chapter. Our progress report* PMI website, 18.05.2020 <https://www.pmi.com/sustainability/reporting-on-sustainability/community-support-progress-2020>

<sup>42</sup> PMI Presentation on social contributions at a glance

[https://www.pmi.com/resources/docs/default-source/pmi-sustainability/2020-social-contributions.pdf?sfvrsn=2fdd6eb7\\_2](https://www.pmi.com/resources/docs/default-source/pmi-sustainability/2020-social-contributions.pdf?sfvrsn=2fdd6eb7_2)

<sup>43</sup> *PMK received “Paryz” social responsibility award* on Zakon.kz media platform, 13.12.2019

<https://www.zakon.kz/4998948-filip-morris-kazakhstan-laureat-konkursa.html>

<sup>44</sup> *Social responsibility of business “Paryz” Award* Kazakstan President Decree, 2008 on Paragraph legal platform

[https://online.zakon.kz/document/?doc\\_id=33497175](https://online.zakon.kz/document/?doc_id=33497175)

<sup>45</sup> PMK LLP Charity program report on PMI website

[https://www.pmi.com/resources/docs/default-source/kazakhstan-market/crs\\_programs\\_pmk\\_en.pdf?sfvrsn=e1f283b5\\_2](https://www.pmi.com/resources/docs/default-source/kazakhstan-market/crs_programs_pmk_en.pdf?sfvrsn=e1f283b5_2)

<sup>46</sup> *Investing in our community at JTI* Kazakstan official website on <https://www.jti.com/our-views/investing-our-communities>

<sup>47</sup> Degdar Charity Fund official website <https://degdar.com/about/>, <https://degdar.com/projects/vremyen-svyazuyushchaya-nit/>

<sup>48</sup> Degdar Charity Fund official website <https://degdar.com/about/>



	0	1	2	3	4	5
<b>6. The government accommodates requests from the tobacco industry for a longer time frame for implementation or postponement of tobacco control law. (e.g. 180 days is common for PHW, Tax increase can be implemented within 1 month) (Rec 7.1)</b>		1				
There is no official TI requests for longer time frame of implementation or postponement of tobacco control law known or supported. Most of deadline postpones happened either due to internal bureaucracy or severe fights between MOH and TI which always happens. For example, TI strong opposition to the Health Act tobacco control amendments was postponed for 2 months in Mazhilis and was only approved in mid 2020.						
<b>7. The government gives privileges, incentives, exemptions or benefits to the tobacco industry (Rec 7.3)</b>					4	
<p>Within the Eurasia custom union which unites 5 countries (Armenia, Russia, Belarus, Kazakhstan, Kyrgyzstan) governments gave privileges for extremely low excise tax (35 Euro per thousand sticks in 2024) and not more 20% tax range<sup>49</sup> which certainly serve as significant benefit to the tobacco industry. Eurasia custom union Tax Agreement was signed on 24 Dec 2019 and MOH did not participate as reviewer. It was urgently ratified by Parliament in March 2021<sup>50</sup></p> <p>Thus, due to Eurasian Tax agreement the tobacco companies will continue cigarette production with lower tax regime, not just in Kazakhstan, but in 4 countries of the Custom union. It is also required by the Business Code,<sup>51</sup> that Ministry of Economy and Ministry of Finance must discuss excise tobacco policy with TI and Atameken members. Therefore, most of tax and economic related decision are drafted and shaped by the TI. For example, Kazakhstan applied only 25% annual tobacco tax increase which was approved by TI and Atameken<sup>52</sup>. The Ministry of Health's opinion on major tobacco excise increase is usually ignored.</p> <p>Meanwhile, it is important to mention evidences of industry connections with top decision makers and key politicians in the past:</p> <ul style="list-style-type: none"> <li>- As per media investigation by 2015 there were around 1000 key Kazakhstani politicians who had been trained by ITIC on various European (mostly Austria) platforms<sup>53</sup>. They participated in numerous ITIC activities and provided speeches at ITIC related series of seminar in Austria on tobacco and alcohol tax policies up till 2013 year. During that period, tobacco companies were sponsoring the ITIC and Philip Morris International funded its annual reports on illicit trade on tobacco.<sup>54</sup></li> <li>- In 2014, Kazakhstan's Ministry of Finance representative participated at ITIC Tax Forum just before COP6 in Moscow which was sharply criticized in media<sup>55</sup>. As a result Smokefree Kazakhstan Coalition gave a Dirty Ashtray Award to ITIC office in Kazakhstan for attempt to weaken implementation of Article 5.3 guidelines at COP5 through "Tax Forum" in Moscow<sup>56</sup> in 2014.</li> </ul>						

<sup>49</sup> *Eurasia custom union Tax Agreement was signed*, Eurasia custom union website publication, 24.12.2009 <http://www.eurasiancommission.org/ru/nae/news/Pages/24-12-2019-1.aspx>

<sup>50</sup> *Kazakhstan Parliament ratified Eurasia custom union Tax Agreement*, Kazakhstan government website publication, 18.03.2021 <https://www.gov.kz/memleket/entities/economy/press/news/details/175228?lang=ru>

<sup>51</sup> Business Act of Kazakhstan (with articles) <http://adilet.zan.kz/rus/docs/K1500000375>

<sup>52</sup> Sadykova Jamilya: tobacco taxes are reflecting tobacco lobby interview on Coalition web <http://nosmoke.kz/2014/11/26/>

<sup>53</sup> *Devils from snuff box* Vremya newspaper article by Ruslan Bahtigareev 14.10.2014 <https://time.kz/articles/strana/2014/10/14/cherti-iz-tabakerki>

<sup>54</sup> *A critique of the ITIC/OE Asia-14 Illicit tobacco Indicator 2013.*, Hana Ross, 20.05.2015 [http://seatca.org/dmdocuments/Asia%2014%20Critique\\_Final\\_20May2015.pdf](http://seatca.org/dmdocuments/Asia%2014%20Critique_Final_20May2015.pdf)

<sup>55</sup> *Devils from snuff box* Time newspaper article by Ruslan Bahtigareev 14.10.2014 <https://time.kz/articles/strana/2014/10/14/cherti-iz-tabakerki>

<sup>56</sup> *Orchid award to Time* newspaper on Coalition website 25.11.2014 <http://nosmoke.kz/2014/11/25/>

	0	1	2	3	4	5
International travellers can import duty-free 200 cigarettes or 50 cigars or 200 grams of tobacco products into Kazakhstan <sup>57</sup>						
<b>INDICATOR 4: Forms of Unnecessary Interaction</b>						
<b>8. Top level government officials (such as President/ Prime Minister or Minister<sup>58</sup>) meet with/ foster relations with the tobacco companies such as attending social functions and other events sponsored or organized by the tobacco companies or those furthering its interests. (Rec 2.1)</b>					4	
<p>Given charity activities<sup>59,60</sup> TI might have access to very senior politicians at Government and Parliament level. Most of senior officials use to visit opera performances provided under JTI sponsorship.</p> <p>Also, tobacco industry is actively involved in major scientific institutions (Kazakh Medical Academy) which openly receive sponsorship by PMK to block HTP regulation in Health Act<sup>61</sup> <sup>62</sup>. It attracted media coverage and MOH's attention which resulted in special Memorandum for medical universities to stop of any partnership with TI on scientific matters.</p> <p>The TI's interference had been exposed for its direct access to decision makers in national policy on taxation (Tax Code). For example, the long-term MP (2007-2020) and head of finance committee in Mazhilis who is responsible for national tax policy had been connected to ITIC company where the top transnational tobacco companies were represented<sup>63</sup>. It is also known that former Minister of Economy Ruslan Dalenov is cousin of Danat Dalenov, one of senior executives of JTI-Kazakhstan<sup>64</sup>.</p>						
<b>9. The government accepts assistance/ offers of assistance from the tobacco industry on enforcement such as conducting raids on tobacco smuggling or enforcing smoke free policies or no sales to minors. (including monetary contribution for these activities) (Rec 4.3)</b>		1				
<p>Information is not officially reported.</p> <p>However JTI reports on its website that it “works closely with law enforcement and government agencies, sharing information and expertise. We inform retail and wholesale outlets of the possible penalties for dealing in illegal cigarettes.”<sup>65</sup></p>						
<b>10. The government accepts, supports, endorses, or enters into partnerships or agreements with the tobacco industry. (Rec 3.1) NOTE: This must <u>not</u> involve CSR, enforcement activity, or tobacco control policy development since these are already covered in the previous questions.</b>	0					
No official record of such partnership.						

<sup>57</sup> Kazakhstan Customs, Currency & Airport Tax regulations summary on IATA official website <https://www.iatatravelcentre.com/KZ-Kazakhstan-customs-currency-airport-tax-regulations-summary.htm>

<sup>58</sup> Includes immediate members of the families of the high-level officials

<sup>59</sup> Degdar Charity Fund official website <https://degdar.com/about/> , <https://degdar.com/projects/vremyen-svyazuyushchaya-nit/>

<sup>60</sup> Degdar Charity Fund official website <https://degdar.com/about/>

<sup>61</sup> Sadykova Jamilya: tobacco taxes are reflecting tobacco lobby interview on Coalition web <http://nosmoke.kz/2014/11/26/>

<sup>62</sup> FB post by leading scientist Kairat Davletov on PMK sponsorship series of scientific articles by State Medical University [https://m.facebook.com/story.php?story\\_fbid=680719462361692&id=100012709323874](https://m.facebook.com/story.php?story_fbid=680719462361692&id=100012709323874)

<sup>63</sup> ITIC mission: who we are chapter on ITI official website <https://www.iticnet.org/who-we-are>

<sup>64</sup> Azat Peruashev supporting vaping by teenagers: NGO leader about tobacco lobby, Azzatyk ruhky media platform , 15.05.2020 by Seitkazin Ardak <https://rus.azattyq-ruhy.kz/analytics/9187-azata-peruasheva-ustraivaet-cto-deti-pokupaiut-elektronnye-sigarety-obshchestvennitsa-vyskazalas-o-provalnom-tabachnom-lobbi-mazhilismena>

<sup>65</sup> JTI Kazakstan official website on <https://www.jti.com/our-views/taking-action-illegal-trade>

	0	1	2	3	4	5
<b>INDICATOR 5: Transparency</b>						
<b>11. The government does not publicly disclose meetings/ interactions with the tobacco industry in cases where such interactions are strictly necessary for regulation. (Rec 2.2)</b>						<b>5</b>
<p>FCTC provisions and Article 5.3 guidelines specifically continue to be neglected still. There is no official and informal regulation to disclose meetings/ interactions with the tobacco industry. Meeting with TI is a norm in Kazakhstan and in some cases even required by law (Business Act).</p> <p>The only tool to reveal TI interference in public and media is Dirty Ashtray Award.</p>						
<b>12. The government requires rules for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists (Rec 5.3)</b>						<b>5</b>
<p>Article 5.3 guidelines are not implemented in Kazakhstan. There is no regulation to disclose or register tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists.</p> <p>For example, at the beginning of Health Act working group (WG) in Mazhilis, TI employers participated as Atameken experts. Only after Smokefree Kazakstan Coalition wrote special letter to the head of WG, they had to reveal the TI representatives in the list. However, they still continued to participate at every discussion of the Health Act amendments and weaken tobacco control amendments.</p>						
<b>INDICATOR 6: Conflict of Interest</b>						
<b>13. The government does not prohibit contributions from the tobacco industry or any entity working to further its interests to political parties, candidates, or campaigns or to require full disclosure of such contributions. (Rec 4.11)</b>						<b>5</b>
<p>As Article 5.3 guidelines are not implemented, there is no official prohibition of TI contributions in Kazakhstan.</p> <p>The ex-head of Atameken, is a famous MP who is currently serves as a leader of Akzhol political party in Mazhilis continues to weaken tobacco control policy on regular basis. Akzhol political party tries to influence current Health Act advocacy<sup>66, 67</sup>. MP never discloses conflict of interest, as government and parliament do not prohibit contributions from the tobacco industry or any entity and TI associated front group.</p>						
<b>14. Retired senior government officials form part of the tobacco industry (former Prime Minister, Minister, Attorney General) (Rec 4.4)</b>	<b>0</b>					
No official facts are known						
<b>15. <u>Current government officials</u> and relatives hold positions in the tobacco business including consultancy positions. (Rec 4.5, 4.8, 4.10)</b>	<b>0</b>					
No official facts are known						

<sup>66</sup> Azat Peruashev supporting vaping by teenagers: NGO leader about tobacco lobby, Azzatyk ruhky media platform , 15.05.2020 by Seitkazin Ardak <https://rus.azattyq-ruhy.kz/analytics/9187-azata-peruasheva-ustraivaet-cto-deti-pokupaiut-elektronnye-sigarety-obshchestvennitsa-vyskazalas-o-provalnom-tabachnom-lobbi-mazhilismena>

<sup>67</sup> Tobacco lobby: parliamentarian advocates for vaping, Azzatyk ruhky media platform, 05.01.2020 by Seitkazin Ardak <https://rus.azattyq-ruhy.kz/analytics/3728-tabachnoe-lobbi-kto-iz-mazhilismenov-prodvigaet-elektronnye-sigarety>

	0	1	2	3	4	5
<b>INDICATOR 7: Preventive Measures</b>						
16. The government has put in place a procedure for disclosing the records of the interaction (such as agenda, attendees, minutes and outcome) with the tobacco industry and its representatives. (Rec 5.1)						5
No procedure for disclosing the records of the interaction with TI put in place, as Article 5.3 FCTC guidelines are not implemented in Kazakhstan.						
17. The government has formulated, adopted or implemented a code of conduct for public officials, prescribing the standards with which they should comply in their dealings with the tobacco industry. (Rec 4.2)						5
Government never formulated, adopted or implemented a Code of conduct for public officials, prescribing the standards with which they should comply in their dealings with the tobacco industry.						
18. The government requires the tobacco industry to periodically submit information on tobacco production, manufacture, market share, marketing expenditures, revenues and any other activity, including lobbying, philanthropy, political contributions and all other activities. (5.2)						5
The government does not require the tobacco companies to report on their market share, marketing expenditure, philanthropy or lobbying.						
19. The government has a program / system/ plan to consistently <sup>68</sup> raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines. (Rec 1.1, 1.2)						5
The government does not have a program, system or plan to consistently raise awareness within its departments on policies relating to Article 5.3 Guidelines.						
20. The government has put in place a policy to disallow the acceptance of all forms of contributions/ gifts from the tobacco industry (monetary or otherwise) including offers of assistance, policy drafts, or study visit invitations given or offered to the government, its agencies, officials and their relatives. (3.4)						5
Obligations to implement FCTC Article 5.3 guidelines are not followed in Kazakhstan.						
<b>TOTAL</b>					<b>63</b>	

<sup>68</sup> For purposes of this question, “consistently” means: a. Each time the FCTC is discussed, 5.3 is explained. AND b. Whenever the opportunity arises such when the tobacco industry intervention is discovered or reported.