



## **WB Ranks Kazakhstan Fastest in Improving Business Regulations**

Report recognizes strides in improving business conditions for entrepreneurs

## **Parliament, Government, NGOs Discuss Sweeping Reforms of Criminal Code**

More than 200 provisions to be amended, prison population to drop by a third

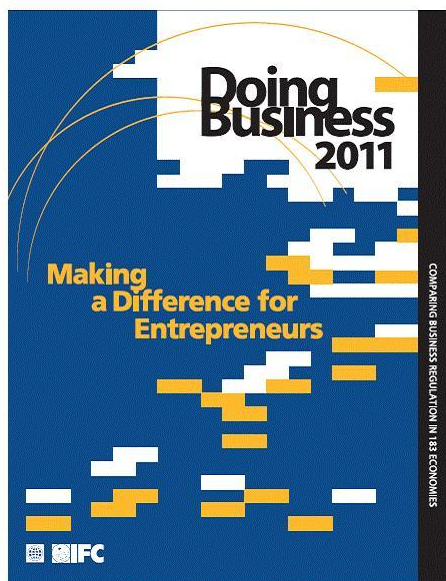
## **Public Selects “Nation’s Chief Mother” as Symbol of Kazakh Women**

Professor Kayupova’s lifelong activity in helping to give birth, protect health

## **A Role Model for All Youngsters: Vino’s Parents Recall His Childhood**

Nikolay, Raisa Vinokourov enjoy visiting son in France, prefer living in Bishkul

## **WB Ranks Kazakhstan Fastest in Improving Business Regulations**



Doing Business 2011 report was presented on November 3, 2010

Kazakhstan has improved business regulation the most among world’s economies in the past year, according to the eighth annual World Bank report, *Doing Business 2011: Making a Difference for Entrepreneurs*, released on November 4.

Kazakhstan improved conditions for starting a business and refined construction, investor protection, and trade regulations. As a result, it moved up 15 places in the rankings on the ease of doing business, to 59 among 183 countries surveyed.

According to the report, Kazakhstan is among 10 countries recognized as economies that made the largest strides in making their regulatory environment more favourable to business and in the top 10 *Doing Business* reformers over the last 5 years.

By using data collected from June 2009 to May 2010, the report ranked countries based on nine areas: the ease of starting a business, paying taxes, trading across borders, registering property, dealing with construction permits, getting credit, closing a business, enforcing contracts and protecting investors.

Kazakhstan has excelled in business start-up regulations. It has created entrepreneurship-friendly environment by reducing the minimum capital requirement to 100 tenge (US \$ 0.70). To make business start-up process easier, it has eliminated registration formalities such as the need to have the memorandum of association and company charter notarized. By merging tax registration with company registration, Kazakhstan has freed entrepreneurs from having to visit separate agencies involved in business start-up.

Moreover, Kazakhstan has made dealing with construction permits easier by introducing several new building regulations in 2009. Less cumbersome process of getting construction permits, which, according to the report, is conducive for entrepreneurship, was achieved in Kazakhstan through streamlining procedures, implementing a new one-stop shop for construction-related formalities, and introducing risk-based approvals. Overall, Kazakhstan has reduced time for processing permit applications.

As for strengthening investor protection, Kazakhstan was able to achieve it by increasing the legal requirements for disclosure in related-party transactions.

In July 2009, Kazakhstan adopted amendments to the Joint Stock Company Law and the Law on Accounting and Financial Reports, which require greater corporate disclosure in company annual reports. This has significantly enhanced investor protection in the country.

Kazakhstan was elevated to the 59<sup>th</sup> position thanks to the reforms it adopted to ease trading across borders, which is increasingly important for business in a globalized world.

Kazakhstan speeded up trade by modernizing customs information system and improving risk-based systems. The country has also made cross-border trade less cumbersome by eliminating several trade-related documents. Other documents such as the bill of landing can now be submitted online, and customs declaration can be sent in before the cargo arrives, as the report notes. As a result of introducing modernized risk management and inspection systems, the time to export and import fell by 8 and 9 days respectively in Kazakhstan.

More than 50 respondents were interviewed in Kazakhstan in the World Bank research.

In addition to Kazakhstan, this year's list of the 10 most-improved economies also includes Rwanda, Peru, Vietnam, Cape Verde, Tajikistan, Zambia, Hungary, Grenada, and Brunei Darussalam.

Singapore was recognized for the fifth year running as the world's easiest place to do business. It was followed by Hong Kong, New Zealand, Britain, United States, Denmark, and Canada.

*Doing Business 2011: Making a Difference for Entrepreneurs* is the eighth in a series of annual reports published by International Finance Corporation and the World Bank. The *Doing Business* project looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle. The first report was published in 2003.

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**Kazakhstan has excelled in business start-up regulations**

## Parliament, Government, NGOs Discuss Sweeping Reforms of Criminal Code



L-R: Prosecutor General Kairat Mami, Chairman of the Majlis Committee on Legislation and Judiciary Reform Rakhmet Mukashev, and Deputy Speaker of the Majlis Vladimir Bobrov

Kazakhstan has been steadily and systematically making steps to further humanise its legislation, both due to the President's call earlier this year and the country's increasing participation in various international organisations and the Chairmanship of the OSCE. For that reason, a presentation of a bill on amendments to some laws to strengthen legal guarantees in criminal processes took place on November 4 at a special session of the Majlis, the lower chamber of the Kazakh Parliament.

If and when passed, the bill would introduce wide ranging changes to more than 200 provisions of the Criminal Code currently on the books. Even more significantly, however, is the forecast that the new law would lead to a significant decrease in the number of inmates in the country, by as much as a third.

Kazakhstan's Prosecutor General Kairat Mami, Deputy Speaker of the Majlis Vladimir Bobrov, and Chairman of the Majlis Committee on Legislation and Judiciary Reform Rakhmet Mukashev attended the meeting as did representatives of law enforcement authorities, ministries and departments, international and non-governmental organisations.

First Deputy Prosecutor General of Kazakhstan Johann Merkel presented the amendments to the statute developed by a working group led by the member of the Committee on Legislation and Judiciary Reform, Yertzat Alzakov.

"The Criminal Code has not been modified in such a significant way [as proposed now] since July 16, 1997, which is the date of its implementation," Mukashev said at the beginning of the session.

“One of the recent amendments regarding humanisation, which can be noted, is one by the Law of the Republic of Kazakhstan of July 10, 2009, on “Introducing amendments to some legislative acts concerning the issues of death penalty,” by which death penalty was excluded and replaced by life imprisonment,” he added.

The new bill plans to decriminalise a separate list of crimes of minor and moderate gravity. That way, administrative charges will replace criminal punishment, and arrest in some cases would be cancelled as a restraining measure. In addition, a new type of punishment is to be implemented to compensate the harm inflicted which will be applied to cases where the damage has been caused directly to a person, his or her property, and when there is a possibility an offender can make up the consequences of the caused harm.

During the meeting, a very considerable list of modifications and amendments was discussed. “The bill includes amendments to more than 200 provisions of the Criminal Code,” Mukashev said.

What is more, if passed, the new bill will lead to a significant reduction of the numbers of inmates in the country.

“According to unofficial data, currently, the number of prisoners reaches 55,000 people. Taking into account the 16 million population of the country, this indicator is considered as high,” Chairman of Supervisory Board on Criminal Cases of Kazakhstan’s Supreme Court Akyltay Kassimov stated previously.

“There are estimates of numbers of people who might be released. We believe the prison population in Kazakhstan may be decreased to 35,000 to 38,000 people,” the Prosecutor General said.

“**The Criminal Code has not been modified in such a significant way, since its implementation**

Along with debates in the Parliament and public offices, Kazakhstan’s civil society activists engage in dialogue with the government bodies to discuss potential steps and their consequences in cutting the levels of criminal punishments in the country.

To this end, a roundtable conference on international standards in the sphere of rights of convicts took place on November 3, as reported by the *Kazakhstanskaya Pravda* newspaper.

The Sociological Resource Centre together with the Presidential Commission on Human Rights, the Criminal and Executive System Committee (CESC) of the Ministry of Justice and the Central Asian branch of Penal Reform International (PRI), a leading international NGO working on civic control of penitentiary systems worldwide, organised the session.

At the meeting, head of the Sociological Resource Centre Serik Aidossov presented the results of the research carried out to monitor the penitentiary establishments of the penal system in the Almaty, Zhambyl and South Kazakhstan Oblasts.

“We cannot assert the data which has been collected is exhaustive, at the same time, we believe it will form a basis for discussions and improvements of the legislation,” Aidossov said.

According to Deputy Chairman of the CESC Yeskali Salamatov, the penitentiary department is working to improve the situation in prisons and eradicate discrimination of convicts.

Last September, Minister of Justice Rashid Tussupbekov signed a document aimed at introducing amendments to the current regulatory and legislative acts concerning the rules of internal order to establish additional guarantees from such types of discrimination as torture.

In addition, according to the social research, there is a necessity of the CESC to communicate with foreign consulates when offenders are foreign citizens and have difficulties with hiring advocates due to the handicaps posed by the poor knowledge of local language.

Furthermore, it has been proposed to improve the procedure of medical and social commission confirming physical disability of inmates, where handicapped persons are made eligible for the special social allowance.

## Public Selects “Nation’s Chief Mother” as Symbol of Kazakh Women

A laureate of the Presidential Award of Peace and Harmony, a senior associate of the Centre for Obstetrics, Gynaecology, and Perinatology in Almaty, Nina Kayupova has recently been recognized as a symbol of Kazakh women. In a national contest, more than 22,000 people have voted for her.

In addition to her achievements, Kayupova is commonly known as “nation’s chief mother”.

For more than twenty years, she was an obstetrician-gynaecologist in a clinical maternity hospital in Almaty, where she welcomed no less than 30,000 children to life.

As a manager, Kayupova headed the institute for obstetrics and gynaecology, which then became the scientific centre for mother’s and child’s health. Today, this establishment is known far outside Kazakhstan.

From 1999 to 2003, she served as Kazakhstan’s Senator and contributed to the adoption of state programmes to strengthen maternal and child health, and has developed a set of laws relating to national health care.

Currently, Kayupova is a professor at the Centre of Maternal and Child Health, the very name of which is associated with improvement of obstetric science in Kazakhstan, and also chairs the National Association of Obstetricians and Gynaecologists.

In an extensive interview with the *Kazakhstanskaya Pravda* daily, Kayupova shared her views on the current situation and challenges the national medicine is facing.

She voiced her concern that despite notable achievements in preserving and upgrading the high Soviet standards in the quality of public medicine, there is still work left in minimising maternal mortality in Kazakhstan.

To deal with the problem, the country is adopting international standards set by the World Health Organization, as well as introducing government programmes to meet a goal of reducing maternal mortality by half by 2020.

While achieving this goal is doctors’ responsibility mainly, Kayupova calls upon citizens to cooperate: “I keep reminding people that a lot depends on the attitude of people towards their health.”

“I think we need to strengthen cooperation between the government, employers, and citizens in order to improve the state of health in society,” she adds. While the state undertakes many actions and sets new tasks for improving maternal and child health every year; citizens should take active participation in this process too, according to Kayupova.

“World Health Organization aims for a fair and responsive medicine and sets standards for health care systems,” Kayupova says.

Yet, we should not forget about local conditions when adopting these standards. Kazakhstan has low population density, and health infrastructure must be built based on this fact. Restoring and building obstetric centres attended by nurses in Kazakhstan is a positive trend, but they must be filled with physicians as well, according to Kayupova.



Professor Nina Kayupova, Chairwoman of the National Association of Obstetricians and Gynaecologists

“**Nina Kayupova welcomed no less than 30 thousands of children to life**

Childhood in Astana.

“And this trend continues,” Kayupova says. “Perinatal centres equipped with modern technology, where women with serious pathologies give birth, are opening in other regions as well. This helps reduce the morbidity and mortality rates.”

Kayupova also shares her views on assisted reproduction technologies.

Kazakhstan has, nonetheless, achieved significant progress in improving maternal and child health. Two world-class research centres have been set up in the country: the Centre for Obstetrics, Gynaecology, and Perinatology in Almaty and the National Centre for Maternity and

“Our age brought many new opportunities, but some must be treated cautiously. Determining the sex of a baby before birth is one of them,” Kayupova notes. Sadly, this practice has turned into a real business. In some cases it leads to sex-selective abortions, she stresses, adding that legislation preventing sex-selective abortions need to be adopted in Kazakhstan. “Even as a member of the Senate, I kept saying that we need a law protecting an unborn child.”

With regards to reproductive technology, Kayupova said the first in-vitro fertilization (IVF) laboratory was opened at the Obstetrics and Gynaecology Centre in 1996. To date, there are already seven such centres operating in Kazakhstan, of which two are government-run. This year, the state-guaranteed free medical service offers one hundred cycles of IVF.

As she concludes the interview, Kayupova leaves the following thought: “I am not tired of repeating that being a mother is a full time job. If a non-working woman has given birth to and raised five children, then why not give her a pension? Such law needs to be adopted, provided, of course, the children are well educated and raised.”

## A Role Model for All Youngsters: Vino’s Parents Recall His Childhood



San’ka (Alexander Vinokourov), extreme left on the photo

There is a great number of admirers and fans of Alexander Vinokourov, although, despite his popularity, there is not much information on how he has become so enthusiastic with cycling.

The stories about Vinokourov’s childhood and the starting moments of his career were shared in an interview, available at the Astana Cycling Team Fan Club ([www.astanafans.com](http://www.astanafans.com)), with Alexander’s parents, Nikolay and Raisa Vinokourov, and the Executive Director of the Kazakhstan Cycling Federation, Alexander Antyshev, who witnessed his early career as a cyclist.

Alexander Vinokourov, or Vino, as he is called by many, was born on September 16, 1973, in a small town of Bishkul nearby the city of Petropavl in North Kazakhstan, where he then spent his early days, youth and found his passion - cycling.

The childhood of the sportsman was not special or any more extraordinary than that of many regular kids in Kazakhstan. His father, Nikolay Vinokourov, used to be an electrician and his mother, Raisa, has worked for the local department of statistics later becoming a housewife, while none of Alexander’s family members have ever had anything to do with sports.

“We did not raise him in any particular way, have never been strict,” Vino’s father Nikolay told in the interview. “He was a regular kid. Not tall, but fit. He used to be a defender. When other kids had arguments, everyone would shout: we will tell on you to ‘San’ka’[short and soft for Alexander] and ran to him for protection,” he continued.

“He has never been particularly ill, he had all the children’s usual infections and that was it. He used to be quite short, only now he became a regular height. He wore glasses until the fourth grade, then his vision stabilised, after he got engaged in sports. We only pushed him to eat more carrots,” Raisa added.

As a child, Alexander collected stamps, used to be a philatelist, and dreamt to be a manager. “He always repeated: I wish to be a manager,” his farther commented.

The school Alexander attended was a branch of the Petropavl’s Children and Youth Sports School. At his father’s initiative, Vino went through various sport sections and groups, eventually having decided to stay in the cycling one. “He has been a cyclist since the fourth grade [11 years old],” Nikolay commented.

The first time parents have noticed that cycling was not just a hobby for him, was after Alexander voiced his desire to attend a sports boarding school near Almaty, where he was invited to study while being at the age of around 14. At that time, it did not work out, and he stayed in Bishkul.

His heroes at the time were the famous Soviet cyclists Vyacheslav Yekimov, Sergey Sukhoruchenkov and his coach, Sergey Kruchina.

“The first trainer was Kruchina. He was a very good one. When ‘San’ka’ won silver in Sydney, at the Olympics - Kruchina was decorated with the rank of Honoured Coach. ... They still keep in touch, and Kruchina attended Tour De France in 2007,” Vино’s father added.

“The coach was like a second father! He made the boy interested in the sport,” Antyshev told at the interview. “He has always been very keen, energetic. Nothing could make him miss training,” his father added.

“There have been lots of injuries. He broke his arm in the first race, broke clavicle in Rostov. Nonetheless, I have never discouraged him,” father said, although Raisa, being a tender mother, had constantly tried to talk him out of it, “I used to feel pity for him because of all the injuries,” she said.

The most memorable victory for parents was the race “Schoolkid of Kazakhstan of 1986” held in Almaty, in which Vино was one of the youngest and smallest compared to the rest of participants.

“I was controlling the race... then I saw a little boy hanging about close to the finish line. So I shouted “Go away! The cyclists are getting to the finish line now. To which he replied, it’s me who is getting to the finish line!.. That is how we discovered Alexander Vinokourov,” Antyshev recalls.

The young Vinokourov never went to discos, he was obsessed with cycling, all he did was trainings, his mother says.

“After school, he got accepted to the Petropavl Pedagogical University for the sports and biology faculty, there was no just a sports faculty at the time,” Raisa continued.

In 1997, Alexander got married and later moved to France, renting an apartment in Saint-Étienne. Since then, he has been living a life of a professional cyclist. He, however, keeps visiting often his paternal home back in the remote part of Northern Kazakhstan.

“I always observe and record all the races of San’ka, then I bring these records to France and my son watches them. His mother looks at only those races where he did not fall,” Nikolay explained.

“

**He has always been very keen, energetic.  
Nothing could make him miss a training session**

Vино’s parents have never pushed or pressed him, although they have definitely been an example. “In winter, I use a bike-simulator, when it is warm - I cycle for 50-60 kilometres with my friends. ‘San’ka’

bought me a professional bicycle. In France, I take grandchildren with me on a ride, they are only seven but can already handle 15 kilometres,” Nikolay Vinokourov said, while his wife also uses a bike-simulator to stay in good shape.

Nikolay and Raisa Vinokourov still live in Bishkul, “the air is clean, the area is vast, and the city is only nine kilometres away,” they say. “We like being in France for a month, a month and a half. We will not be able to learn the language, and our home is here!”

At the 2007 Tour De France, Vinokourov was banned for a year for blood doping, and as of August 2009, Vино has been riding on the professional level again, rejoining Astana team and taking victory in the 2010 Liège–Bastogne–Liège and in stage 13 to Ravel in this year’s Tour.

“The secret of Vinokourov’s success is devotion, persistence, and discipline. Undoubtedly he is a workaholic, add to that his natural qualities. I would like to highlight his characteristics: he is a very honest person and a sportsman and he has got a great spirit and commitment. He sets his aim high and follows it in any case or scenario. It is for this reason he has achieved such heights and success,” Alexander Antyshev, Executive Director of the Kazakhstan Cycling Federation and a long-time companion of Vино, said.



## Also in the News:

- Nursultan Nazarbayev has signed a law “On ratification of convention on temporary imports,” the President’s press service reported on November 3. The convention is aimed at unification of situation of temporary imports, generalisation and harmonisation of the customs regime and development of economic, humanitarian, cultural, social and tourist communications. It also allows acceptance of standardised types of documents on temporary imports as international customs documents. The convention is an instrument of the World Customs Organisation.
- According to Bolat Zhamishev, Kazakhstan’s Minister of Finance, the government has decided not to increase the tax rates for extraction of mineral resources. “The increase in the tax rates for extraction of mineral resources has been planned along with the reduction in the corporate surtax rates. Since we won’t decrease the corporate tax rates soon, the tax rates for extraction of mineral resources will not change respectively,” Zhamishev said. Since the adoption of law “On taxes and other obligatory payments into the budget” of January 1, 2009, the corporate tax rates were decreased from 30 to 20 percent in 2010.
- The Parliament of Kazakhstan approved a bill “On introduction of amendments to some legislative acts on taxation” to increase excise tax on tobacco products on November 4. The excise tax on tobacco products will be annually increasing by 25 percent from 2011 until 2014.
- The Kazakhmys Corporation has started re-cultivation of the left-over wastes of the Zhezkazgan industrial plant in Central Kazakhstan, the company stated on November 3. The works are part of the complex programme on rehabilitation of the plant and will allow a considerable reduction in dusting. It is expected to produce a positive effect on the ecological conditions of the region. The project involves around one hundred specialists and more than 40 units of unique equipment, for the total cost of KZT one billion (KZT 147 = 1 US\$). “During the past three quarters of 2010, the overall expenses of copper division of the group on implementation of environmental actions made KZT three billion,” Chief Executive Officer of Kazakhmys Eduard Ogay stated.
- Kazakhstan’s Ministry of Oil and Gas, the KazEnergy Association and the Oilfields Workers’ Trade Union of Kazakhstan have signed an agreement on creation of a commission on regulation of labour relations within the nation’s oil and gas industry, the KazEnergy press service reported on November 3. The commission’s structure includes representatives from ministries, trade unions and employers.
- “Kazakhstan Engineering” and French “Sagem”, part of the “Safran” Group, have signed an agreement on establishment of a joint venture on construction and technical support of unmanned aerial vehicles, the press secretary of the “Kazakhstan Engineering” Sara Bakirova said on November 4. According to the agreement, the enterprise will build unmanned aerial vehicles for military, civil and special needs, including agriculture, emergency services and border troops.
- The number of applications for registration of intellectual property rights has doubled this year, Vice Chairman of the Committee for rights of intellectual property of Kazakhstan Sholpan Abdreyeva stated at the governmental [www.bnews.kz](http://www.bnews.kz) web-portal on November 3. According to her, the number of applications for registration of selective achievements has grown 3.5 times in comparison with last year.
- Kazakhstan’s Human Rights Ombudsman Askar Shakirov met leaders of the disabled women association “Shyrak” on November 2. The sides discussed proposals of non-governmental organisations of disabled women on Kazakhstan developing a long-term national plan of action on provision of rights and improvements of quality of life of handicapped people in spheres of education, healthcare, labour, as well as social, cultural and economic rights.
- The presentation of a social taxi service for disabled people has taken place in Semey. Two vehicles were provided by the private “Sabi” charity fund within the scope of the “Worthy life for disabled” programme. The “Invataxi” service will be financed by the city budget, where KZT 880 thousand (KZT 47 = 1 US\$) will be allocated by the end of 2010.

## Things to Watch:

- The 9<sup>th</sup> meeting of the foreign ministers of the Asia Cooperation Dialogue (ACD) member states will be held in Tehran, Islamic Republic of Iran, on November 8-9. Deputy Foreign Minister Kairat Sarybay will head the Kazakh delegation.
- An agreement on maritime transportation between Kazakhstan and Azerbaijan is planned to be signed at the summit of the Caspian littoral states to take place in Baku, Azerbaijan, on November 18. Kazakhstan's Minister of Oil and Gas Sauat Mynbayev announced the news at the Seventh Intergovernmental Commission on Economic Cooperation held in Astana today. According to Mynbayev, an agreement has been reached on quotas for exchange of students for training both in Azerbaijan, and in Kazakhstan, and a discussion on establishment of the Bank of Azerbaijan in Aktau took place.
- This year's first day of Kurban-Ait (Eid al-Adha) will be on November 16, the spokesman for the Spiritual Administration of the Muslims of Kazakhstan Ongar-Haji Omirbek said on November 2. According to the National Labour Law, it will be a day off in Kazakhstan.
- The last games of the 2010 season of Kazakhstan's top football league will take place on November 6. The fate of all medals has not been cleared till the day. Tobol Kostanay with 61 points is traced by FC Aktobe with 60 points. Both teams play their games away, against FC Atyrau and Shakhter Qaraghandy respectively. Lokomotiv Astana and Irtysh Pavlodar will decide the last podium place in their head-to-head meeting in the Kazakh capital, with only victory needed by the hosts. All three games kick off simultaneously at 7 pm Astana time.



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