

Statement of Commitment to the Principles of Fair Conduct of Business, Intolerance to Corruption and Any Illegal Practices

The Eurasian Development Bank (EDB, the Bank) carries out its activities based on the principles of honesty, good faith, transparency, professional responsibility and intolerance to corruption. Maintaining high professional performance standards and being guided by the best practices of the leading international financial institutions, the EDB takes all necessary measures to prevent and to investigate any instances of corruption and other illegal practices.

Illegal Practices

The Bank treats any of the following actions as illegal practices:

corruption — abuse of official position, giving bribe, taking bribe, abuse of authority, corrupt business practices or any other illegal use by the Bank employees of their official position contrary to the interests of the Bank and/or the Bank member-states for the purpose of obtaining benefits in the form of money, valuables, other property or monetizable services, other property rights for themselves or for third parties, or illegal provision of such benefits to the said persons by other natural persons;

fraud — any action or inaction, including misrepresentation of facts or information, which intentionally or unintentionally deceives or results in attempts to deceive any person for the purpose of obtainment of pecuniary or any other benefits, or evasion;

pressure — infliction of damage and/or harm or threatened infliction of damage and/or harm, directly or indirectly, to any person or his property for the purpose of influencing actions of such person;

collusion — agreement between two or more persons aimed at achievement of an inappropriate objective, including exertion of inappropriate influence on actions of any other person;

obstruction — willful destruction, falsification, replacement or non-disclosure of information being essential for inspections, or false representation to a person carrying out inspections, in order to significantly interfere with establishment of any facts of corruption, fraud, pressure or collusion, and/or threatening, harassment or intimidation of any person for the purpose of interfering with acquisition of information related to the said facts, or actions aimed at creation of significant obstacles for exercise by the Bank of its rights to conducting any audit or inspection provided for by the documents governing the Bank activities, or by agreements concluded by the Bank.

Countering Illegal Practices

Guarding its goodwill and encouraging fair conduct of business in every possible way, the EDB, when carrying out its activities:

- implements to the full extent procedures for verification of its customers and contractors based on the "Know your customer" (KYC) principle, identifying, in particular, the ownership structure and beneficial owners of customers and contractors, sources of their wealth, availability of relations with politically exposed persons, their relatives or the close ones;

- performs analysis of data and information contained in available reputable sources of information, including databases of government agencies, as well as in other public sources, about customers and contractors, their owners and officials as to finding any claims from regulatory and supervisory authorities and/or any facts of legal prosecution in connection with any corrupt practices, economic crimes, fraud, etc.;
- performs preliminary analysis of projects and transactions for corruption elements and a risk of the conflict of interest. When procuring goods, works, services, the Bank adheres to the principles of equal opportunities and transparent relationship, selecting contractors (suppliers) on the basis of clear criteria allowing to exclude any corruption element and to obtain goods, works and services of the highest quality at the price reasonable for the Bank. The Bank makes sure with due diligence that sponsorship fees and charitable donations of the Bank (when the Bank may carry out such activity), do not serve as a cover for bribery;
- establishes availability with customers and contractors of the system of prevention and avoidance of the use of illegal practices, and communicates to customers and contractors the Bank's position on commitment to the principles of the fair conduct of business, and unacceptability of illegal practices, in particular by including the relevant anti-corruption clauses in contracts and agreements with customers and contractors;
- monitors projects and transactions implemented by the Bank aimed among other things at prevention of and control over appearance of the conflict of interest, the corruption risk, at identification of other illegal practices;
- analyzes carefully and fairly all facts and information, which become known to the Bank, including information received via the Compliance Hotline, about actual or potential corrupt practices, the conflict of interest or the use of illegal practices;
- interacts with other multilateral development banks, international organizations, national development institutions, other organizations and government agencies to share ideas and practical experience as regards identification and prevention of the use of illegal practices and the conduct of an investigation.

Applications Handling and Investigations

Along with data obtained following its own monitoring activities, survey of the Bank employees and examination of declarations completed by them of existence/absence of the conflict of interest, the Bank analyzes information about any potential violation of ethical business practices, the use of illegal practices, appearance of the conflict of interest, contained in applications received via the Compliance Hotline, as well as information submitted to the Bank by customers and contractors in accordance with the procedure specified in contracts and agreements concluded with them.

The Bank records and admits for examination all applications received, including the anonymous ones. The Bank shall consider all applications received for any grounds for conducting an investigation.

The Bank guarantees open and fair investigation concerning all situations, which may be associated with the use of illegal practices, regardless of whether such situations are identified by the Bank through its own effort, or on the basis of external information.

When conducting an investigation, the Bank uses all reasonable efforts to protect the non-public information which comes to its knowledge in the course of the investigation, including information about natural and legal persons being the object of the investigation, as well as about persons who communicated the information under investigation or relevant to the investigation.

The Bank conducts any investigation in good faith, taking into consideration all information obtained on the basis of documents and data available with the Bank or received by the Bank, survey of the Bank employees and persons who furnished the information.

The Bank documents and keeps any investigation findings for at least five years after the conclusion of the investigation.

Should it be proven according to the investigation findings that a customer/contractor uses illegal practices, the Bank takes necessary actions to ensure safeguarding of its interests and preservation of its reputation, including, in particular, termination of contractual relationship with the relevant customer/contractor, transfer of information on it and its activities to national government agencies, and adding of such customer/contractor to the list of persons from cooperation with whom the Bank shall refrain within a certain period of time.

Compliance Culture Development

The EDB managers and employees follow a behaviour model based on adherence to corporate values of the Bank, safeguarding the Bank's interests, compliance with the code of ethics and the rules of conduct, exclusion of the use of illegal practices, knowledge of and compliance with by-laws of the Bank.

For the purpose of the compliance culture support and development, the Bank regularly holds training events on compliance control, including exclusion of the use of illegal practices, prevention and settlement of the conflict of interest, etc.

The Bank employees and outsourcees engaged shall adhere to the general rules for handling business gifts envisaged by the internal regulatory documents of the EDB.