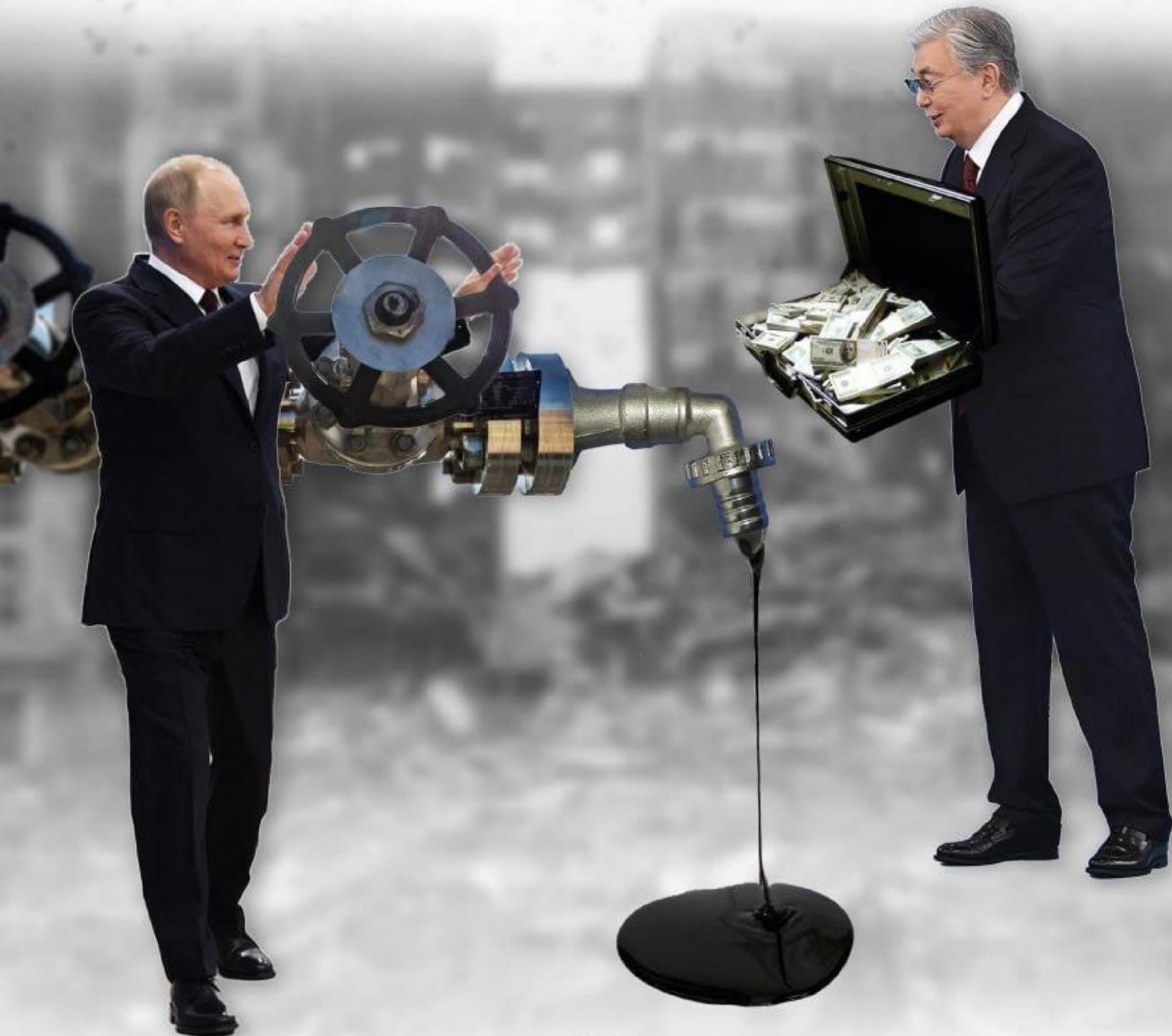


# THE SECRET OF TOKAYEV AND PUTIN: HOW TO CIRCUMVENT THE OIL EMBARGO

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Website: <https://odfoundation.eu/>; e-mail: [odfoundation@odfoundation.eu](mailto:odfoundation@odfoundation.eu) Twitter:

[@ODFoundation](#)

**Project Manager:**

Lyudmyla Kozlovska (the Open Dialogue Foundation): [lyudmylakozlovska@odfoundation.eu](mailto:lyudmylakozlovska@odfoundation.eu) **Copyright:**

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## 1. INTRODUCTION

Since Russia's invasion of Ukraine on 24 February 2022, the Kazakhstani authorities has repeatedly declared its "respect for Ukraine's sovereignty and territorial integrity".<sup>1, 2, 2</sup> Kazakhstani officials try to assure Ukraine and the international community that Kazakhstan is "complying with the sanctions" against Russia, although it is not "joining them".<sup>3</sup> In practice, the statements by the Kazakhstani authorities are an attempt to avoid secondary and personal sanctions for helping the Kremlin circumvent international sanctions and finance the war against Ukraine.<sup>4</sup>

The Kazakhstani authorities conduct disinformation operations against Ukraine and the West, positioning itself as "a victim of potential Russian aggression" in order to avoid responsibility for helping Russia.

On 5 December 2022, the European Union imposed an embargo on Russian crude oil and from 5 February 2023 an embargo on Russian refined petroleum products will come into effect.<sup>5</sup> The oil embargo has also been imposed by the US and Canada, while the UK will impose a ban on Russian crude oil imports from 31 December 2022.<sup>6, 7, 8</sup> The European Union, G7 countries and Australia have imposed a price cap on Russian crude oil of USD 60 per barrel.<sup>9</sup> The purpose of these measures is for Western countries to **cut energy export revenues** and thus reduce the Kremlin's financial resources to continue its war against Ukraine.<sup>11</sup>

EU governments are looking for alternative sources to replace Russian petroleum products, including Kazakhstan. On 21 December 2022, for example, it was reported that Kazakhstan "intends to send its first shipment of oil to Germany in January 2023."<sup>12</sup> For this, Kazakhstan plans to obtain "permission from the Russian trunk pipeline operator Transneft, since the supplies will go through Russian territory."

Kazakhstan is coordinating this issue with Transneft.<sup>10</sup> In this report we present evidence as to why using Kazakhstan as an alternative source of oil and petroleum products to the EU above Kazakhstan's existing annual supply volumes would undermine the political objective of depriving Russia of the means to conduct military aggression against Ukraine.

When choosing a source of replacement for Russian crude oil and petroleum products, it should be taken into account that as of 30 December 2022 there is **a legitimate scheme to circumvent the oil embargo, allowing Kazakhstan to partially (20% of total Russian crude oil and petroleum product exports to the EU) compensate for Russian losses in oil and petroleum product export volumes.**

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<sup>1</sup> [https://tengrinews.kz/kazakhstan\\_news/pochemu-kazakhstan-progolosoval-protiv-rezolyutsii-kryimu-487228/](https://tengrinews.kz/kazakhstan_news/pochemu-kazakhstan-progolosoval-protiv-rezolyutsii-kryimu-487228/) <sup>2</sup> <https://rus.azattyq.org/a/31786625.html>

<sup>2</sup> <https://www.euractiv.com/section/central-asia/interview/kazakh-official-we-will-not-risk-being-placed-in-the-same-basket-as-russia/>

<sup>3</sup> <https://www.vedomosti.ru/politics/news/2022/12/26/957011-glava-mid-kazahstana-poobeschal-ne-pomogat-rossii>

<sup>4</sup> <https://en.odfoundation.eu/a/494919,kremlins-secret-ally-how-tokayev-is-helping-putin-circumvent-sanctions/>

<sup>5</sup> <https://www.consilium.europa.eu/en/policies/sanctions/restrictive-measures-against-russia-over-ukraine/sanctions-against-russia-explained/>

<sup>6</sup> <https://www.whitehouse.gov/briefing-room/statements-releases/2022/03/08/fact-sheet-united-states-bans-imports-of-russian-oil-liquefied-natural-gas-and-coal/>

<sup>7</sup> <https://www.cbc.ca/news/politics/foreign-affairs-minister-more-lethal-aid-shipments-for-ukraine-1.6367163>

<sup>8</sup> <https://sanctionsnews.bakermckenzie.com/uk-introduces-further-sanctions-against-russia-4/>

<sup>9</sup> <https://www.reuters.com/business/energy/holdout-poland-approves-eus-60-russian-oil-price-cap-with-adjustment-mechanism-2022-12-02/>

<sup>11</sup> [https://www.eeas.europa.eu/delegations/ukraine/questions-and-answers-g7-agrees-oil-price-cap-reduce-russias-revenues-while\\_en](https://www.eeas.europa.eu/delegations/ukraine/questions-and-answers-g7-agrees-oil-price-cap-reduce-russias-revenues-while_en) <sup>12</sup>

<https://rus.azattyq.org/a/32198182.html>

<sup>10</sup> <https://informburo.kz/novosti/glava-kmg-probnuyu-partiyu-kazaxstanskoi-nefti-mogut-otpraviv-v-germaniyu-uze-v-yanvare>

Kazakhstan can compensate for Russia's losses in the following way:

- Of the 108 million tonnes of oil previously supplied by Russia to Europe, Kazakhstan is helping Russia sell at least 27 million tonnes of oil (25% of Russia's total oil exports to the EU) under this scheme:
  - a. 12 million tonnes of Russian oil Kazakhstan will purchase for its refineries, and its own oil of 12 million tonnes, previously used for its refineries to produce petroleum products, Kazakhstan will export to the EU.
  - b. 10 million tonnes of additional Russian oil will pass through the Atasu-Alashankou pipeline from Kazakhstan to China, which has a capacity of 20 million tonnes.
  - c. 5 million tonnes of Russian oil will be sold to Uzbekistan by pipeline through Kazakhstan.
- Of the 91 million tonnes of petroleum products previously supplied by Russia to Europe, Kazakhstan will buy more than 13 million oil products from Russia (just over 14% of total Russian oil product exports to the EU) for its domestic market.

Through this scheme to circumvent the embargo, Kazakhstan will compensate Russia for 20% of Russia's crude oil and petroleum product export losses to the EU. This **will keep Russian budget revenues from the sale of oil and petroleum products at a high level**. Kazakhstan is also helping Russia to redirect Russian crude oil exports to the Chinese market using the Atasu-Alashankou pipeline. The scheme to circumvent Russia's oil embargo through Kazakhstan **requires a detailed study and prompt reaction from the democratic governments of Ukraine, the EU, the US, Canada and the UK**.

In addition to Kazakhstan's existing schemes to help finance the war and circumvent international sanctions, including the supply of goods used for military purposes,<sup>11</sup> the Kazakh authorities' assistance to the Kremlin to circumvent the oil embargo **deliberately undermines international efforts** to reduce Russia's financial, military and technological resources to continue the war, protect Ukraine's independence, sovereignty and territorial integrity and ensure a just peace in the foreseeable future.

#### Recommendations:

- Immediately shut down Russia's ability to circumvent the oil embargo, international sanctions through Kazakhstan and other Central Asian countries to deprive Russia of its ability to finance a war against Ukraine;
- Impose personal sanctions on individuals and entities, including government officials, who contribute to circumventing the sanctions and the oil embargo;
- Implement the recommendations given in the European Parliament resolution dated 20 January 2022,<sup>15</sup> especially the requirement for Kazakhstan to allow the UN and the OSCE experts to conduct

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<sup>11</sup> <https://en.odfoundation.eu/a/494919,kremlins-secret-ally-how-tokayev-is-helping-putin-circumvent-sanctions/> <sup>15</sup> [https://www.europarl.europa.eu/doceo/document/TA-9-2022-0012\\_EN.html](https://www.europarl.europa.eu/doceo/document/TA-9-2022-0012_EN.html)

an international investigation into the role of the CSTO military contingent in suppressing peaceful mass protests in Kazakhstan in January 2022;

- 
- Provide political and financial support to an independent civil society and opposition in Kazakhstan that exposes Tokayev's assistance in circumventing international sanctions for the Kremlin and surrendering Kazakhstan's national interests to Russia.
  - Curb the misuse of inter-state criminal and civil law cooperation instruments, as well as cases of illegal surveillance on EU territory of the opposition and their loved ones; investigate and suppress information attacks aimed at misleading EU authorities and obtain the extradition of opposition representatives from EU countries to Kazakhstan who systematically expose Tokayev's assistance in circumventing international sanctions for the Kremlin and surrendering Kazakhstan's national interests in favour of Russia.

This report is the second in a series entitled "Kremlin's Secret Ally. HOW TOKAYEV IS HELPING PUTIN CIRCUMVENT SANCTIONS" and provides information on the schemes Tokayev uses to help Putin circumvent the oil embargo.<sup>12</sup>

The report has been prepared by the human rights Open Dialogue Foundation on the basis of public sources, expert reviews of Kazakhstani citizens who disagree with President Tokayev's pro-Kremlin policies. We are grateful to opposition politician Mukhtar Ablyazov, former Minister of Energy, Industry and Trade of the Republic of Kazakhstan (1998-1999), for his advice in writing this report.

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<sup>12</sup> <https://en.odfoundation.eu/a/494919,kremlins-secret-ally-how-tokayev-is-helping-putin-circumvent-sanctions/>

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## **2. HOW KAZAKHSTAN IS HELPING RUSSIA CIRCUMVENT THE OIL EMBARGO**

Russia's invasion of Ukraine and Western countries' refusal to import Russian crude oil and petroleum products has forced the governments of EU member states to look for alternative sources to replace Russian oil and petroleum products, considering, among others, Kazakhstan.

On 21 December 2022, for example, it became known that Kazakhstan "intends to send its first shipment of oil to Germany in January 2023."<sup>13</sup> It is supposed to go through the Atyrau-Samara pipeline and then through the Druzhba pipeline to Europe. For this purpose Kazakhstan plans to obtain "permission from the Russian trunk pipeline operator Transneft, since the supply will go through Russian territory." Kazakhstan is coordinating this issue with Transneft.<sup>14</sup> Thanks to the pro-Kremlin stance and actions of Kazakhstan's leadership, Kazakhstan is helping Russia to partially compensate for the loss of European crude oil and petroleum product exports. Using Kazakhstan as an alternative source of oil and petroleum product supply to the EU above Kazakhstan's existing annual export volumes would undermine the political objective of depriving Russia of the means to conduct military aggression against Ukraine.

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<sup>13</sup> <https://rus.azattyq.org/a/32198182.html>

<sup>14</sup> <https://informburo.kz/novosti/glava-kmg-probnuyu-partiyu-kazaxstanskoi-nefti-mogut-otpraviv-v-germaniyu-uze-v-yanvare>

### 3. KAZAKHSTAN OIL MARKET

According to the data from the Ministry of Energy of Kazakhstan for 2021, oil production in Kazakhstan amounted to **85.7 million tonnes**.<sup>15</sup> Kazakhstan's total crude oil exports amounted to **67.6 million tonnes**. The remaining **17.1 million tonnes** are refined by Kazakhstani refineries.

Of Kazakhstan's total oil exports (67.6 million tonnes), over 90% of crude oil exports go through Russia:

- 53 million tonnes through the Caspian Pipeline Consortium (CPC)
- 12 million tonnes through the Atyrau-Samara oil pipeline.<sup>16</sup>

2 million tonnes are exported through the port of Aktau to Azerbaijan and onwards through the Baku-Tbilisi-Ceyhan pipeline and 1 million tonnes to China through the Atasu-Alashankou pipeline.<sup>17, 18</sup>



<sup>15</sup> <https://kz.kursiv.media/2021-12-28/obem-dobychi-nefti-po-itogam-2021-goda-v-kazakhstane-sostavil-857-mln/>

<sup>16</sup> <https://ism.kz/kakie-al-ternativnye-marshruty-eksporta-nefti-est-u-kazahstana>

<sup>17</sup>

<https://www.ankasam.org/%D1%8D%D0%BD%D0%B5%D1%80%D0%B3%D0%B5%D1%82%D0%B8%D1%87%D0%B5%D1%81%D0%BA%D0%B8%D0%B5%D0%BC%D0%B0%D1%80%D1%88%D1%80%D1%83%D1%82%D1%8B-%D0%BA%D0%B0%D0%B7%D0%B0%D1%85%D1%81%D1%82%D0%B0%D0%BD%D0%B0/?lang=ru>

<sup>18</sup> <https://ism.kz/kakie-al-ternativnye-marshruty-eksporta-nefti-est-u-kazahstana>

### Kazakhstan oil export routes in 2021

Kazakhstan's adjusted crude oil production forecast for 2022 is **84 million tonnes**.<sup>19</sup> Refining volume is predicted to be **18 million tonnes**.<sup>20</sup> The oil production forecast for 2023 is **90.3 million tonnes**.<sup>25</sup>

Key importers of Kazakhstani oil are the European Union (70% of total oil exports), China (3.6 million tonnes) and South Korea (3.3 million tonnes).<sup>21, 22</sup>

#### 4. EXPORTS OF RUSSIAN OIL AND OIL PRODUCTS TO THE EU

On 5 December 2022, the EU imposed an embargo on Russian crude oil and from 5 February 2023 there will be a ban on imports of Russian petroleum products.<sup>23</sup>

In 2021 Russia exported **229.9 million tonnes** of oil, of which the EU had **47%** or **108.1 million tonnes**.<sup>24</sup>

In 2021, Russia produced **270 million tonnes of petroleum products**, of which **91 million tonnes** were exported to the EU.<sup>25</sup>

#### 5. A SCHEME TO CIRCUMVENT THE OIL EMBARGO

##### Substitution of Russian petroleum products and increased crude oil exports to the EU

The political aim of the EU, the USA, the UK and Canadian oil embargoes and the imposition of a price cap on Russian oil is the desire of Western countries to cut energy export revenues and, consequently, the Kremlin's financial resources to continue its war against Ukraine.<sup>26</sup> However, **there is a legitimate scheme to circumvent the oil embargo, allowing Kazakhstan to partially (20% of Russia's total oil and petroleum product exports to the EU) compensate Russia for its loss in oil and petroleum product export volumes.**

<sup>19</sup> <https://rus.azattyq.org/a/32200237.html>

<sup>20</sup> [https://tengrinews.kz/kazakhstan\\_news/skolko-nefti-planiruet-dobyt-kazahstan-v-2023-godu-487414/](https://tengrinews.kz/kazakhstan_news/skolko-nefti-planiruet-dobyt-kazahstan-v-2023-godu-487414/) <sup>25</sup> <https://rus.azattyq.org/a/32200237.html>

<sup>21</sup> [https://www.eeas.europa.eu/kazakhstan/european-union-and-kazakhstan\\_en?s=222](https://www.eeas.europa.eu/kazakhstan/european-union-and-kazakhstan_en?s=222)

<sup>22</sup> <https://ism.kz/eksport-kazahstanskoj-nefti-v-2021-godu-infografika>

<sup>23</sup> <https://www.gazeta.ru/business/2022/12/05/15890353.shtml>

<sup>24</sup> <https://tass.ru/ekonomika/16498787>

<sup>25</sup> <https://www.vedomosti.ru/business/articles/2022/11/09/949432-neftyaniki-pereorientirovali-dizel-na-vnutrennii-rynok>

<sup>26</sup> <https://www.cnn.com/2022/12/05/energy/russia-oil-embargo-price-cap-explainer/index.html>

Kazakhstan refines about **17.1 million tonnes** of oil at the three largest refineries (Shymkent, Pavlodar and Atyrau) and other mini-refineries.<sup>27</sup> Production of petroleum products is about **13.1 million tonnes** of petroleum products sold in Kazakhstan's domestic market.

To compensate for its losses from the embargo, Russia will sell to Kazakhstan **12 million tonnes** of oil for processing at Kazakhstan's Pavlodar and Shymkent refineries. Oil products produced at these refineries from Russian crude oil, as well as oil products produced at the Atyrau Refinery from Kazakh oil, in the total amount of over 13 million tonnes will be sold to the EU as Kazakhstani exports legally.

13 million tonnes of petroleum products is about **14%** of total petroleum product exports from Russia to the EU for 2021. At the same time, Kazakhstan will buy an additional 13 million tonnes of petroleum products from Russia for delivery to the Kazakhstani domestic market.

Thanks to this, Kazakhstan can legally supply an additional 13 million tonnes of petroleum products to the European market (**instead of selling them for domestic consumption in Kazakhstan**).

Thus, Kazakhstan could export to the EU in 2023:

- **79.6 mtpa oil** instead of the previously supplied 67.6 mtpa (an increase of **12 mtpa oil** due to Russian oil to be imported through pipeline systems from Russia to Pavlodar and Shymkent refineries. Kazakhstan, instead of loading these refineries with its own oil, will export it to the EU).
- **13 million tonnes of petroleum products** from oil purchased in Russia and refined at the Shymkent and Pavlodar refineries, as well as petroleum products produced at the Atyrau refinery from Kazakhstani oil.

### Helping Russia sell its oil

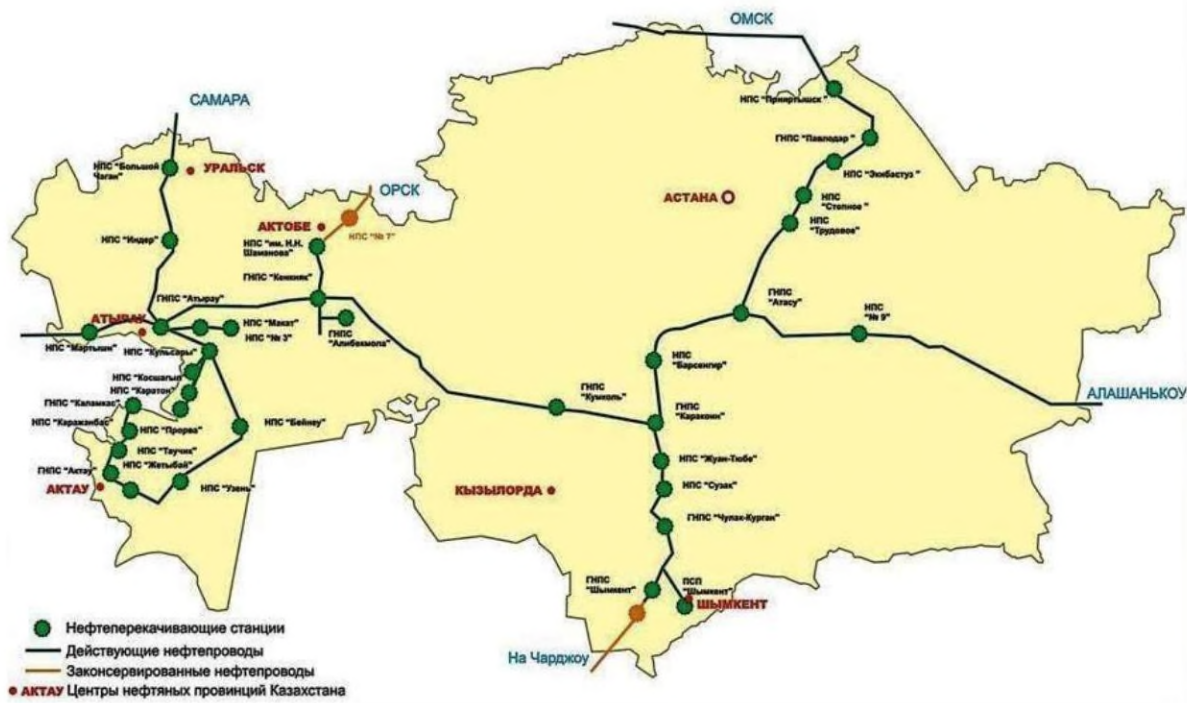
Kazakhstan can also help Russia sell an additional **10 million tonnes** of oil to China through the ChinaKazakhstan Atasu-Alashankou pipeline from Kazakhstan to China. The Atasu-Alashankou oil pipeline has a capacity of 20 million tonnes.<sup>28</sup> Russia already supplies 10 million tonnes of oil to China through this

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pipeline. As of 30 December 2022, **Russia is able to sell 20 million tonnes of oil to China** through the Atasu-Alashankou pipeline **with the help of Kazakhstan** without any problems.

<sup>27</sup> <https://kz.kursiv.media/2021-12-28/obem-dobychi-nefti-po-itogam-2021-goda-v-kazakhstane-sostavil-857-mln/>

<sup>28</sup> <https://www.vedomosti.ru/business/articles/2022/07/07/930415-kazakhstan-postavki-nefti>



The map of Kazakhstan main pipelines<sup>29</sup>

There is also a project underway to supply oil through the Omsk (Russia)-Pavlodar (Kazakhstan)-Shymkent (Kazakhstan)-Uzbekistan oil pipeline. In the long term, another 5 million tonnes of Russian oil could be supplied to Uzbekistan's refinery via this route.<sup>30</sup>

Including the 12 million tonnes of Russian oil that Kazakhstan buys from Russia for refining at its refineries, Kazakhstan is helping Russia sell at least **27 million tonnes of oil, or 25%** of the 108 million tonnes of oil that Russia previously supplied to Europe.

### Total compensation for Russia's supply losses in the crude oil and petroleum products market

In total, of the 199 million tonnes of oil and petroleum products supplied by Russia to Europe in 2021, **Kazakhstan can help Russia to compensate for the loss of exports of 40 million tonnes of crude oil and petroleum products (or 20% of the total loss of exports).**

For Kazakhstan, whose 2021 Gross Domestic Product (GDP) is nine times less than Russia's, **the ability to compensate for 20% of Russia's crude oil and petroleum product export losses is significant.**

It is important to note that the aforementioned methods of selling Russian oil and petroleum products **do not violate the sanctions regime.** However, **they directly contradict the political objective of the West to reduce Russian budget revenues through the sale of oil and petroleum products.**

<sup>29</sup> <https://stanradar.com/news/full/32511-tranzitnyj-separatizm-na-neftegazovom-prostranstve-eaessng-dominiruet.html>

<sup>30</sup> <https://tj.sputniknews.ru/20170503/uzbekistan-dlya-stroyashchegosya-novogo-NPZ-protyanet-nefteprovod-kazakhstan-1022213072.html>

In addition to reorienting Russian crude oil exports towards Asian markets, Kazakhstan's assistance in closing 20% of Russia's oil and petroleum product export losses **allows Russian budget revenues from oil and petroleum product sales to be kept high.**

### **The myth of diversification of oil supply routes from Kazakhstan**

In July 2022, during a phone call between President Tokayev and European Council President Charles Michel, Tokayev said that Kazakhstan was "*ready to use its hydrocarbon potential to stabilise world and European markets.*"<sup>31</sup> Tokayev also ordered to diversify Kazakhstan's oil supplies to foreign markets, allegedly to reduce the country's logistical dependence on Russia.<sup>32</sup> In fact, Kazakhstan is misleading the world community. The truth is that Kazakhstan has no alternative oil export routes other than through Russian territory.<sup>33</sup> An alternative route through the port of Aktau and onwards through Azerbaijan (the so-called Trans-Caspian route), Georgia and Turkey, allows exporting a maximum of 5 million tonnes of Kazakhstani oil in the long term.<sup>34</sup> At the same time, 65 million tons of oil from Kazakhstan are exported through the territory of Russia. Therefore, the bulk of Kazakhstan's oil supplies to the EU can only go through Russian territory.

Germany plans to buy oil from Kazakhstan through the Druzhba pipeline (through the Atyrau-Samara pipeline and onwards through Belarus, Poland and Germany).<sup>35</sup>, <sup>36</sup> However, Kazakhstan cannot significantly increase the existing annual export volumes of oil and petroleum products to Europe, as the country cannot significantly increase oil production in the short term. Kazakhstan can only increase its exports of oil and petroleum products to Europe by supplying Europe with the volumes of oil and petroleum products that are used in the domestic market of Kazakhstan. At the same time, Kazakhstan compensates the needs of the domestic market by importing oil and oil products from Russia.

**In this way, the Kazakhstani authorities create the illusion that they are helping the EU overcome the energy crisis without Russia. However, in reality, Kazakhstan will help Russia compensate for its losses from the oil embargo.**

By acting as the "saviour" of the European Union, the Kazakhstani authorities will be able to:

- avoid sanctions for helping Russia circumvent international sanctions
- avoid Western criticism for systematic and serious human rights violations in the country.

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<sup>31</sup> <https://www.akorda.kz/ru/telefonnyy-razgovor-s-prezidentom-evropeyskogo-soveta-sharlem-mishelem-465120>

<sup>32</sup> <https://kapital.kz/economic/107046/prezident-poruchil-diversifitsirovat-postavki-nefti.html>

<sup>33</sup> <https://www.vedomosti.ru/business/articles/2022/08/12/935817-smozhet-li-kazahstan-naladit-postavki>

<sup>34</sup> <https://rus.azattyk.org/a/31985519.html>

<sup>35</sup> <https://www.kommersant.ru/doc/5735000>

<sup>36</sup> <https://rus.azattyq.org/a/32198182.html>

Using Kazakhstan as an alternative source of oil and oil products in the European Union above Kazakhstan's existing annual supply volumes would undermine the political objective of the West to deprive Russia of the means to wage military aggression against Ukraine.



The route map of the Druzhba oil pipeline<sup>37</sup>

## 6. CONTEXT OF THE SITUATION

Since the beginning of Russia's full-scale military invasion of Ukraine in February 2022, Kazakhstan's leadership has taken various measures to convince Western countries and Ukraine to "respect Ukraine's sovereignty and territorial integrity" and "comply with sanctions". The Kazakhstani authorities make statements in the international media about "respecting Ukraine's territorial integrity" and "complying with the sanctions".<sup>38, 39</sup> In March 2022, the Kazakhstani authorities formed a "guidebook of prohibited goods" (sanctioned goods banned for export to Russia and Belarus).<sup>40</sup> In August 2022, the government of Kazakhstan issued a decree banning the export of military goods.<sup>41</sup> In December 2022, President Tokayev signed a law on special export controls for "specific goods" (goods used for military purposes).<sup>42</sup> In this way, the Kazakhstani authorities are trying to assure Ukraine and Western countries that appropriate measures are being taken to "comply with sanctions" against Russia.

<sup>37</sup> <https://iz.ru/1409253/mariia-shaipova/druzhba-vroz-cto-izvestno-glavnom-nefteprovode-iz-rossii-v-evropu>

<sup>38</sup> <https://www.euractiv.com/section/central-asia/interview/kazakh-official-we-will-not-risk-being-placed-in-the-same-basket-as-russia/>

<sup>39</sup> <https://www3.nhk.or.jp/news/html/20221225/k10013933921000.html>

<sup>40</sup> [https://www.inform.kz/ru/putevoditel-zapreshchennyh-dlya-eksporta-i-importa-v-rf-i-rb-tovarov-sozdali-v-kazahstane\\_a3916661](https://www.inform.kz/ru/putevoditel-zapreshchennyh-dlya-eksporta-i-importa-v-rf-i-rb-tovarov-sozdali-v-kazahstane_a3916661)

<sup>41</sup> <https://primeminister.kz/ru/news/kazakhstan-na-god-priostanovit-eksport-voennoy-produkcii-2775032>

<sup>42</sup> [https://tengrinews.kz/kazakhstan\\_news/tokayev-podpisal-zakon-o-kontrole-spetsificheskikh-tovarov-487227/](https://tengrinews.kz/kazakhstan_news/tokayev-podpisal-zakon-o-kontrole-spetsificheskikh-tovarov-487227/)

However, the facts indicate that the declared position and the aforementioned actions of Kazakhstan's leadership are aimed at misleading Ukraine and Western countries. In a report published by international and Kazakhstani human rights activists, evidence has been gathered of how Tokayev provides full support to the Kremlin in financing the war and circumventing international sanctions, including the supply of components for missiles with which Russia is deliberately destroying Ukrainian civilian infrastructure.<sup>43</sup>

In order to avoid secondary and personal sanctions for helping Russia, the Kazakhstani authorities are conducting large-scale disinformation operations against Ukraine and the West, forming the image of a "victim of potential aggression by Russia", thus trying to convince Ukraine and the West that Kazakhstan is allegedly trying to distance itself from the Kremlin and could become the "next victim of aggression". The same disinformation rhetoric is also used by Kazakhstani diplomats, as well as representatives of state-sponsored Kazakhstani "think tanks".

Kazakhstan's leadership has abused Western trust to "reduce the impact of anti-Russian sanctions on Kazakhstan's economy", while the United States and the European Union assure Kazakhstan that they are taking measures to mitigate the impact of anti-Russian sanctions on Kazakhstan's economy.<sup>44, 45, 46, 47</sup> In this way, the Kazakhstani authorities manage to mislead Western countries and use various schemes to help circumvent international sanctions and supply Russia with necessary sanctioned goods. Kazakhstan's leadership, through its state agencies in Kazakhstan, including the Ministry of Foreign Affairs, the National Bank of Kazakhstan, the Agency for Regulation and Development of the Financial Market and National Management Holding Baiterek, has lobbied the West to ease or lift sanctions imposed on financial institutions (Sberbank Kazakhstan, Alfa-Bank Kazakhstan) and payment systems (Mir).

The practical support of Kazakhstan's leadership for Russia is evidenced not only in helping it circumvent international sanctions, but also in supporting Russia's position in the international arena, as you can read in detail in our previous report.<sup>48</sup>

The Kazakhstani authorities have purposefully and consistently supported integration alliances with the Kremlin, such as the Eurasian Economic Union (EEU) and the Collective Security Treaty Organisation (CSTO). The Kazakhstani leadership's voluntary surrender of independence and sovereignty in favour of Russia began before Russia's invasion of Ukraine in February 2022.<sup>49, 50</sup> Consistent support for the Kremlin and its propaganda rhetoric is also demonstrated on a historical and ideological level. During his visit to Moscow on 28 November 2022, Tokayev signed a joint declaration with Putin stating that Kazakhstan and

<sup>43</sup> <https://en.odfoundation.eu/a/494919,kremlins-secret-ally-how-tokayev-is-helping-putin-circumvent-sanctions/>

<sup>44</sup> [https://tengrinews.kz/kazakhstan\\_news/posolstve-ssha-vyiskazalis-vliyanii-sanktsiy-kazahstan-463535/](https://tengrinews.kz/kazakhstan_news/posolstve-ssha-vyiskazalis-vliyanii-sanktsiy-kazahstan-463535/)

<sup>45</sup> <https://www.gazeta.ru/politics/2022/11/17/15796027.shtml>

<sup>46</sup> [https://tengrinews.kz/kazakhstan\\_news/posolstve-ssha-vyiskazalis-vliyanii-sanktsiy-kazahstan-463535/](https://tengrinews.kz/kazakhstan_news/posolstve-ssha-vyiskazalis-vliyanii-sanktsiy-kazahstan-463535/)

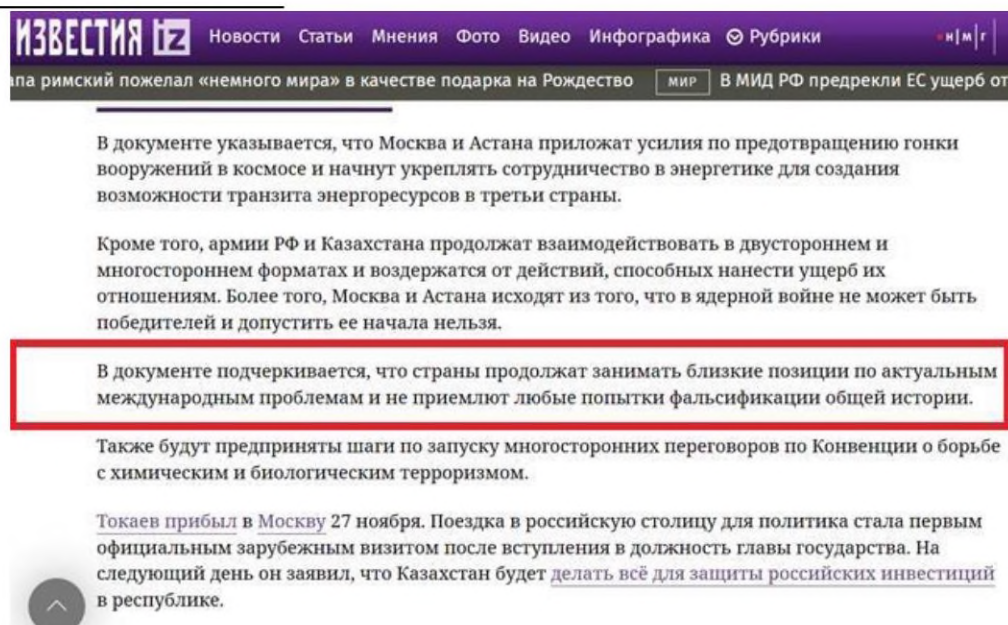
<sup>47</sup> <https://www.gazeta.ru/politics/2022/11/17/15796027.shtml>

<sup>48</sup> <https://en.odfoundation.eu/a/494919,kremlins-secret-ally-how-tokayev-is-helping-putin-circumvent-sanctions/>

<sup>49</sup> <https://en.odfoundation.eu/a/109524,kazakhstan-surrender-of-technological-sovereignty-to-russia-china-and-a-further-assault-on-civil-society-and-liberties/>

<sup>50</sup> <https://en.odfoundation.eu/a/178807,kazakhstan-unprecedented-acts-of-the-regimes-terror-against-civilians-and-the-russian-led-cstos-military-intervention/>

Russia "will not accept any attempts to falsify shared history" - essentially repeating the Kremlin's rhetoric on Ukraine and the West.<sup>51, 52, 53</sup>



**Marked quote: “The document stresses that the countries will continue to take close positions on topical international issues and will not accept any attempts to falsify common history.”**

The political support of Kazakhstan’s leadership for Russia and the CSTO is also confirmed by the fact that on the day of a massive missile strike on Ukraine, 23 November 2022, Imangali Tasmagambetov became head of the Collective Security Treaty Organisation (CSTO). Tasmagambetov is one of Kazakhstan’s most influential officials, close to former President Nursultan Nazarbayev. Tasmagambetov is a former prime minister of Kazakhstan, former mayor of Astana, former defence minister and former ambassador of the Republic of Kazakhstan to Moscow.<sup>54, 55</sup> Tasmagambetov's appointment as secretary-general of the organisation, which is effectively run by Russia, comes against the backdrop of the European Parliament's recognition of Russia as a state sponsor of terrorism.<sup>56</sup>

On 30 December 2022, it was reported that Kazakhstan extradited to Russia Mikhail Zhilin, a member of the Federal Protective Service, who fled to Kazakhstan in September to avoid being sent to fight in Ukraine. Mikhail Zhilin's wife said the Kazakhstani authorities extradited him to Russia "although the refugee review procedure has not been completed". This once again indicates that the Kazakhstani authorities support

<sup>51</sup> <https://www.vedomosti.ru/politics/news/2022/08/15/936056-putin-zayavil-o-neobhodimosti-zhestko-reagirovat-na-popitki-falsifikatsii-istorii>

<sup>52</sup> <https://iz.ru/1425849/2022-11-15/putin-nazval-tcel-popytok-falsifikatsii-istorii-zapadnymi-stranami>

<sup>53</sup> <https://iz.ru/1432493/2022-11-28/putin-i-tokaev-podpisali-sovmestnuiu-deklaratsiiu-po-itogam-vstrechi-v-kremle>

<sup>54</sup> <https://www.pravda.com.ua/rus/news/2022/11/23/7377667/>

<sup>55</sup> <https://informburo.kz/novosti/imangali-tasmagambetov-stal-generalnym-sekretaryom-odkb>

<sup>56</sup> <https://www.bbc.com/russian/news-63723565>

the Kremlin in its war against Ukraine, as Mikhail Zhilin fled to Kazakhstan and sought political asylum, not wanting to go to war in Ukraine.<sup>57</sup>

Tokayev also supported Putin's idea of a "triple union" of Russia, Kazakhstan and Uzbekistan, which is clearly Putin's plan to create a union state along the lines of Russia and Belarus, where key strategic decisions are taken in the Kremlin.<sup>58</sup> Russia's takeover of Kazakhstan and Uzbekistan will strengthen Putin's political, economic and military capacity to continue his war against Ukraine.

Back in January 2022, Tokayev said Russia was a "union state" for Kazakhstan, and in October 2019, in Sochi, Tokayev said Russia "should play a leading role" in Central Asia: *"Central Asia is becoming an*

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*important factor, a player in pan-Asian cooperation and security. You know very well that it is this region that the interests of the world's leading states are riveted to. And here Russia, in my opinion, should play a leading role, because historically Central Asia was part of the Russian Empire. It is quite natural for the Russian Federation to have a long-term presence - be it political or economic - in this region."*<sup>59, 60</sup>

Thus, Kazakhstan is politically controlled by Russia, as is Belarus, but Kazakhstan's role is to be the Kremlin's "economic rear" in the war against Ukraine. To this end, the image of "balancing" Tokayev and Kazakhstan as "victims of potential aggression from Russia" is created, as the imposition of sanctions against individuals and companies from Kazakhstan will lead to a shutdown of sanctions circumvention schemes and a weakening of Russia.

## 7. CONCLUSION AND RECOMMENDATIONS

As long as Russia's direct allies, like Kazakhstan, are able to help Russia circumvent sanctions and generate high export revenues, Russia will not suffer the economic losses that are expected as a result of Western sanctions.

### Recommendations:

- Immediately shut down Russia's ability to circumvent the oil embargo, international sanctions through Kazakhstan and other Central Asian countries to deprive Russia of its ability to finance a war against Ukraine.
- Impose personal sanctions on individuals and entities, including government officials, who contribute to circumventing the sanctions and the oil embargo.

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<sup>57</sup> <https://rus.azattyq.org/a/32200307.html>

<sup>58</sup> <https://iz.ru/1425849/2022-11-15/putin-nazval-tcel-popytok-falsifikacii-istorii-zapadnymi-stranami>

<sup>59</sup> [https://www.facebook.com/mukhtar.ablyazov/posts/pfbid0g79eUeNWnyaJLCMDLHuWUQ8stNAQz2gHs75ESJauayRufmVT2x1EYewXM8LyGaRDI?\\_\\_cft\\_\\_\[O\]=AZV8lgjB0SSDaOcBR7oqVnrXhNU6CNI5OoLIZ1LtFdGtsyXwVsdjoi4r1n2en6ToiQg514u4PFzAvP\\_3Myh8YlgYnHxDtuyImsXNfbESp7VIORUpG4O2ImqZjcaMQpiBBqm0OFsDVbxQC-lcixUjr4&\\_\\_tn\\_\\_=%2C%2CP-R](https://www.facebook.com/mukhtar.ablyazov/posts/pfbid0g79eUeNWnyaJLCMDLHuWUQ8stNAQz2gHs75ESJauayRufmVT2x1EYewXM8LyGaRDI?__cft__[O]=AZV8lgjB0SSDaOcBR7oqVnrXhNU6CNI5OoLIZ1LtFdGtsyXwVsdjoi4r1n2en6ToiQg514u4PFzAvP_3Myh8YlgYnHxDtuyImsXNfbESp7VIORUpG4O2ImqZjcaMQpiBBqm0OFsDVbxQC-lcixUjr4&__tn__=%2C%2CP-R)

<sup>60</sup> <https://rus.azattyq.org/a/30199013.html>

- Implement the recommendations given in the European Parliament resolution dated 20 January 2022,<sup>61</sup> especially the requirement for Kazakhstan to allow the UN and the OSCE experts to conduct an international investigation into the role of the CSTO military contingent in suppressing peaceful mass protests in Kazakhstan in January 2022.
  - Provide political and financial support to an independent civil society and opposition in Kazakhstan that exposes Tokayev's assistance in circumventing international sanctions for the Kremlin and surrendering Kazakhstan's national interests to Russia.
  - Curb the misuse of inter-state criminal and civil law cooperation instruments, as well as cases of illegal surveillance on EU territory of the opposition and their loved ones; investigate and suppress information attacks aimed at misleading EU authorities and obtain the extradition of opposition representatives from EU countries to Kazakhstan who systematically expose Tokayev's assistance in circumventing international sanctions for the Kremlin and surrendering Kazakhstan's national interests in favour of Russia.
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<sup>61</sup> [https://www.europarl.europa.eu/doceo/document/TA-9-2022-0012\\_EN.html](https://www.europarl.europa.eu/doceo/document/TA-9-2022-0012_EN.html)