

Criminological Aspects of Business Protection in the Republic of Kazakhstan

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Abstract

The relevance of this research is underscored by the intersection of criminology and investment rights protection at the current stage of the Republic of Kazakhstan's economic system. This study aims to analyze the existing mechanism of ensuring the protection of investment rights, particularly from a criminological perspective, focusing on legal frameworks and government strategies against economic crimes. Employing methods such as logical analysis, formal-legal, dogmatic, legal hermeneutics, and deduction, the research scrutinizes statistical data highlighting regions and industries in Kazakhstan attracting significant investments and the related criminological implications. The study reviews activities of state bodies, particularly the General Prosecutor's Office and the Ministry of Foreign Affairs, in supporting significant investment projects while monitoring for economic crimes. A notable finding includes the government's plan to implement 265 investment projects worth 540 billion tenge, monitored for legal compliance by prosecutors to safeguard investment rights. Furthermore, an analysis was conducted on the joint decree and activity plan for supporting investment projects, establishing criminological competencies within the "one window" principle cooperation framework among the General Prosecutor's Office, authorized bodies, and Kazakh Invest. The practical significance of the obtained results lies in providing a criminological assessment of the current mechanism, which aims to enhance the efficiency and quantity of foreign investments while improving the safeguards against economic crimes in Kazakhstan's investment sector.

Keywords: Investment, Government strategies, Assets, Policies, Criminology, Production, Rights mechanism

Introduction

The creation of a modern and developed financial system is a key condition for the economic development of any country and ensures the stability of society. The financial system includes banking, insurance and investment companies, stock exchanges, pension funds and other financial institutions. As digital technology has evolved in recent decades, currencies have started to become digitalised to meet the growing need for cross-border payments. At present, the

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global community, including Kazakhstan, is at the stage of introducing a new form of money – digital money. The industry of digital assets and decentralised finance is also actively developing. Investments play an important role in the economy. However, conflicts may arise between the state and the investor in the course of investment activities. Accordingly, it is quite important to analyse the current mechanism and develop measures to improve it.

L.T. Bayakhmetova and A.T. Bayakhmetova (2021) note that the Republic of Kazakhstan (RK) has a two-tier banking system that manages financial transactions and payments. There are two stock exchanges, Kazakhstan Stock Exchange (KASE) and Astana International Exchange (AIX), designed to trade securities and facilitate interaction between investors and entrepreneurs (Isakhova and Bayakhmetova, 2022).

Social relations related to the formation, distribution, and use of funds of the state to fulfil its functions are subject to regulation by financial law (Akimbekova and Moroz, 2021). All these measures aim to strengthen the financial system of the country and regulate all important aspects of financial relations. In general terms, describing the financial system of Kazakhstan, it should be noted its high level of development and stability, as well as the creation of conditions for attracting foreign investment. Application of modern technologies and perspective development in the future are also important characteristics. The system of organisation of currency relations established by national legislation and international agreements is commonly referred to as the currency system.

E.C. Kemali (2020) notes that the international monetary system is a set of instruments that are created to regulate currency plan relations between states. The currencies used are analogues of money or units of value – fiat money (from Latin *fiat* – “let it be so”). Fiat money is a legal means of payment, its denomination is established and guaranteed by the state.

The definition of “investment disputes” is considered in two aspects by B.A. Sarbasov (2023). In the first one, “investment disputes” are defined as various conflicts that are related to investment. In another sense, these are legal disagreements between the state and the subject, which are caused by the fact of actions with deposits of the latter on the territory of the former. In legal terminology, such conflicts are called investment disputes. A.D. Dzhantasova and Zh.A. Kosubaeva (2019) define investment disputes as a set of legal relations arising in connection with the resolution of disagreements or the search for optimal solutions to resolve disputes arising in the process of investment activity. In addition, under the term “investment dispute” they understand conflicts between a state and an investor of another state, concerning the latter’s

investments in the territory of the former and related to the violation of obligations to promote and protect investments in the territory of the former state, which is indicated in the studies of A.K. Rakhmetollov (2019).

Based on the above, the study aims to assess the current measures to regulate investment in Kazakhstan as a whole. For this purpose, it is necessary to perform a range of tasks, namely, to study statistical data, legislative acts and activities of authorised organisations in improving the mechanism of business protection of the Republic of Kazakhstan.

Materials and Methods

Various analysis method types were used in the course of the study. The functional analysis method was used to study and understand the dynamics, structure, and impact of investment funds on the economy, to identify characteristic functions describing their interaction and dependence, to assess the stability of investment funds to changes in external factors, internal parameters, to identify the features and characteristic functions that are inherent in investment funds. The method of logical analysis was introduced to reveal the concept of “investment funds”, and to identify the characteristic features and principles of implementation. The method of statistical analysis provided an opportunity to study the data on the amount of attracted investment funds per capita in foreign countries, as well as to consider the data in the regional and sectoral context of Kazakhstan and make their assessment. The method of abstraction allowed us to focus on a separate aspect of the study – investment disputes. Thanks to this, the concept of “investment disputes” was characterised in detail, and the features, principles of implementation, and key features were considered, which provided an opportunity to identify the key aspects of this mechanism. It also analysed the role and impact of investment disputes on the creation of the investment climate, as well as on the economic system as a whole.

The formal-legal method was introduced to study the norms regulated by the current legislation. Thus, the provisions enshrined in the Resolution of the Government of the Republic of Kazakhstan No. 482 “On approval of the Concept of investment policy of the Republic of Kazakhstan until 2026” (2022), Entrepreneur Code of the Republic of Kazakhstan (2015), Joint Order of the Minister of Foreign Affairs of the Republic of Kazakhstan No. 11-1-4/228 and the Minister of Internal Affairs of the Republic of Kazakhstan No. 336 “On amendments to the joint order of the Acting Minister of Foreign Affairs of the Republic of Kazakhstan from 24 November 2016 No. 11-1-2/555 and the Minister of Internal Affairs of the Republic of Kazakhstan from 28 November 2016 No. 1100 “On approval of the rules for issuance of invitations, approval of invitations

for entry of foreigners and stateless persons to the Republic of Kazakhstan, issuance, cancellation, restoration of visas of the Republic of Kazakhstan, as well as extension and reduction of their validity” (2021), Constitutional Law of the Republic of Kazakhstan No. 155-VII “On the Prosecutor’s Office” (2022), and Order of the Acting Minister of Foreign Affairs of the Republic of Kazakhstan No. 11-1-4/113 “On approval of the rules for concluding, amending and terminating investment agreements” (2023).

The legal hermeneutics method was used to analyse the texts of laws and other legal documents that relate to the investment system in Kazakhstan, to investigate the goals and intentions of the legislator in creating these laws, to clarify the meaning and interpretation of laws on investment in Kazakhstan. The dogmatic method provided an opportunity to study the texts of laws related to the investment system in more detail, which included analysing the structure, terms used and logical connections within the laws, identifying the types, criteria for their implementation and litigation procedures, and determining how the acts relate to each other. These methods were implemented to create a systematic and clear understanding of the laws and their application.

The deduction method was used to characterise the investment system based on its inherent structural elements and its role in ensuring an efficient economic system. In turn, the method of induction, based on the attributes and principles identified in the course of analysing legislative acts, provided an opportunity to assess the role of investment funds and their effectiveness in more detail. The method of synthesis was used to combine the results obtained in the course of the research and to develop recommendations.

Results

A rather important direction of state policy is to create conditions for a sustainable investment environment and stimulate the inflow of foreign direct investment (FDI) into the country’s economic plan sector. Today, according to the Bureau of National Statistics (2023) analysis, Kazakhstan holds the leading position among Commonwealth of Independent States (CIS) countries in terms of FDI attracted per capita, which is \$1300 or 24% in the structure of CIS countries. Despite a general decline in global investment flows since 2018, by the end of 2022, the country’s gross FDI inflows totalled a record \$28 billion, the highest in 10 years. It is worth considering the indicators of the leading countries in this industry (Table 1).

Table 1. Leading states in terms of FDI attracted per-capita

State	FDI, USD
Netherlands	8.33 billion
USA	5.1 billion
Switzerland	2.8 billion
Belgium	1.56 billion
South Korea	1.48 billion
China	1.43 billion
France	770.2 million
United Kingdom	661 million
Germany	469.5 million

Source: compiled by the author based on Bureau of National Statistics (2023).

As can be noted from the provided statistical data, among all the world states, the Netherlands, the USA and Switzerland are in the leading positions. This is because these countries have the most developed favourable investment climate, which includes proper legislative regulation. It is necessary to analyse these indicators in the context of RK regions (Table 2).

Table 2. Regions of Kazakhstan with the highest FDI

Region	FDI, USD
Atyrau	8.2 billion
Almaty	7.57 billion
Astana	2.25 billion
East Kazakhstan	2.2 billion
West Kazakhstan	1.12 billion
Almaty	698.2 million
Turkestan	376.3 million
Kyzylorda	336.5 million
North Kazakhstan	105.7 million
Jambyl	62 million

Source: compiled by the author based on Bureau of National Statistics (2023).

Accordingly, the highest investment volume was in the Atyrau region, Almaty, and Astana cities. Considering the structure by industry, the majority of investment projects in Kazakhstan are concentrated in the mining industry with a total investment of \$12.1 billion. This is followed by manufacturing with \$5.6 billion, wholesale and retail trade with \$5.08 billion, transport and warehousing

with \$1.1 billion, construction with \$698 million, financial and insurance activities with \$650 million, gas and electricity supply with \$635.6 million and others. However, despite this structure of investment, the share of foreign direct investment in the country's gross domestic product (GDP) is practically unchanged and remains at around 16-18%. Under such conditions, the dynamics and structure of foreign investment should change not only depending on the priority sectors of the economy but also consider the geopolitical situation and the needs of the population.

It is worth noting that support for investment projects in information and communication technologies can contribute to the successful competition of the country's enterprises in an environment orientated towards a high-tech global economy (Cumming et al., 2019). Attracting investors in the agribusiness sector will create thousands of local jobs and improve regional and rural welfare. For example, the government plans to implement 265 investment projects worth 540 billion tenge (Resolution of the Government..., 2022). It should be mentioned that the offences committed in this sector are economic. The modus operandi of corruption offences are in most cases of a fully structured nature, including preparation, execution, and concealment of criminal acts. Corruption offences may be perpetrated by both authorised persons and other interested parties who may be involved in certain actions (or inaction) of officials. Preparation may manifest itself in the creation of circumstances that may induce other actors to act using corrupt methods, such as offering a bribe or other reward, providing various services and so on.

The methods of misappropriation of budgetary funds can be quite diverse. They range from simple methods, such as altering information provided and misusing funds, to more complex methods that include long-term preparation, setting up shell companies, assigning roles to co-conspirators (e.g., accountants, deputies, representatives of business organisations or relatives) and developing a variety of measures to conceal illegal activities, including transferring funds to foreign bank accounts, currency conversion and other activities. In this case, the use of many different documents, including accounting, banking, business, and other documents, is typical. This significantly complicates the investigation process. Sometimes crimes are committed with the participation of bank employees. It is worth noting that both conventional means of crime, such as ordinary pens for forging signatures and blank forms of official documents, and modern computer technology, including scanners, laser printers (including colour ones) and software are used.

Classification of perpetrators of criminal offences, including corruption offences, by their type, is necessary, as it helps analyse certain types of criminal

behaviour and to predict the tactics of suspects of a certain typology. When applied to criminology, the typology of criminal personality has practical value, as it allows for developing tactical recommendations, determining the strategy of investigation as a whole or within individual investigative actions, as well as developing measures to search for and prevent offences of a particular type and possible countermeasures by suspects. In criminology, several typological schemes are describing different types of criminal personality. When developing private investigation techniques, criminalists consider not only the types of criminal offences, but also the typology of the personality of the perpetrators, and the grouping of offences may be made on various criminological grounds, including the typology of the personality of the perpetrators.

The study of the offender's personality should be based on the following structure: socio-demographic, socio-biological and socio-psychological characteristics. The definition of the roles of the perpetrators of financial fraud has summarised the functions performed by the different participants in the crime. They may operate in different territorial frameworks and can therefore be differentiated by the extent to which they cover the territory in which the offences are committed. Some are limited to acting at the regional level, while others may operate in several regions of the country or even beyond. The system of typical signs (traces), which was developed based on the theft investigation methodology, can be used as a model for organising and systematising the signs of corruption offences. This systematisation corresponds to the general structure of the *modus operandi* of the offences and can be presented in the form of a graphic formula in which the *modus operandi* of the offence is linked to the typical signs. This reflects regularities that are important in the correct formulation of versions about the nature of the event, which helps to determine the direction of the investigation of a specific corruption offence, particularly in the field of FDI.

Currently, both developing and developed countries actively compete for foreign investment. For this purpose, they take a range of measures, such as reducing taxes, and customs duties, providing infrastructure solutions, various privileges, and preferences, introducing special regulatory regimes and much more. But at the same time, investors prefer countries that, in addition to favourable conditions for business, also guarantee the rule of law, stability of legislation, fulfilment of state obligations, safety of capital and a transparent business environment. To increase attractiveness for investment, two aspects should be considered: regional (local) and general (republican). Kazakhstan has an effective multi-level investor support infrastructure, which includes the Foreign Investors Council under the President, the Council for Improving the Investment Climate under the Government, the Investment Ombudsman and Headquarters, as

well as the activities of the National Company Kazakh Invest, special economic and industrial zones, Astana International Financial Centre (AIFC) and other initiatives.

The procedures for starting and running a business were simplified, the process of concluding agreements was simplified, exemptions from customs duties and value-added tax (VAT) on imports, state grants in the form of land plots, equipment and buildings for investment projects, preferences on corporate income tax, land and property taxes for priority investment projects were provided, preferences on corporate income tax, land and property taxes for priority investment projects, stability of legislation for 25 years for the implementation of investment projects costing at least 7.5 million USD by monthly estimate or about 49 million USD, as well as stability of tax laws for 10 years for enterprises investing at least 75 million USD or about 500 million USD (excluding mining) (Resolution of the Government..., 2022). However, in practice, the promotion of private sector investment activity aimed at creating a stable environment for investors does not always function properly. Sometimes investors face bureaucratic and artificial administrative barriers, which can include delays in the allocation of funds and the process of obtaining the necessary documents from various bodies and others.

It should be noted that prosecutors have supported investors in different years. For example, the Supreme Court and the General Prosecutor's Office managed to protect an investor from fraudulent actions. This is a case where GP Gunter Papenburg AG was a party, where the issue of return of 5.6 billion tenge was considered, as well as from illegal tax surcharges in a tax dispute with Karachaganak Petroleum Operating B. V. in the amount of 3.2 billion tenge ("Fair Kazakhstan" in action..., 2019). It is worth mentioning that over the years, thanks to the efforts of prosecutors, 16 judicial acts totalling 17 billion tenge have been reviewed. This allowed investors to recover wrongfully collected fines and losses, taxes, and customs duties.

To address this task comprehensively, in cooperation with the Government and interested organisations, an Interagency Meeting on Business and Investor Protection was held on 23 May 2023 under the chairmanship of the Prosecutor General (The Prosecutor General's..., 2023). The event was attended by heads and representatives of various government bodies, departments, and agencies, as well as representatives of the business community and other stakeholders. Regional and city prosecutors, as well as deputy akims and heads of representative offices of the Atameken Chamber, attended the videoconference held as part of the meeting. The event presented approaches that prosecutors can use to support investment projects at the republican and regional levels. The main discussion centred on the

problems faced by businesses and investors in criminal, civil and administrative proceedings. The meeting resulted in specific instructions to reduce administrative pressure and improve the investment climate in the country, and a protocol decision was sent to all participants. In the course of this, a joint resolution was signed between the Prosecutor General's Office and the Ministry of Foreign Affairs to consolidate the accompaniment of significant investment projects by prosecutors and related reporting (The Prosecutor General's..., 2023).

Furthermore, to define competencies within the framework of cooperation between the General Prosecutor's Office of the Republic of Kazakhstan, authorised bodies and Kazakh Invest on a "one-stop-shop" basis, a plan of joint activities to support significant investment projects by prosecutors has been developed (Kazakh Invest and the..., 2019). This plan includes:

- specific cases of investment projects that require prompt follow-up by the prosecuting authorities;
- analysing the implementation of protocol decisions of the Investment Headquarters for 2022 and the current period;
- organisational issues and tasks for a short period to support investment projects by the prosecuting authorities.

Based on this joint algorithm of actions, prosecutors' support of investment projects will be conducted within three levels of prioritisation (Entrepreneur Code of..., 2015):

1. Priority and special investment projects included in the Nationwide Pool and related to new industries or participants in special economic zones;
2. Projects of investors holding an investor visa for carrying out activities in the territory of the Republic of Kazakhstan;
3. Projects of other major investors (individuals or legal entities) investing in the amount of at least a multiple of two million USD by monthly estimate by the legislation on entrepreneurial activity.

At the same time, following a planned joint order with Kazakh Invest and AIFC, the prosecuting authorities will provide support to investment projects managed by a specialised unit within Kazakh Invest – Task Force (2023). This unit is responsible for the formation and maintenance of a pool of investment projects subject to investment agreements. To date, 70 investment projects have been supervised by the Task Force.

To define more precisely the competencies of Kazakh Invest and the prosecuting authorities, the Joint Order of the Minister of Foreign Affairs of the Republic of Kazakhstan No. 11-1-4/228 and the Minister of Internal Affairs of the Republic of Kazakhstan No. 336 "On amendments to the joint order of the Acting Minister of Foreign Affairs of the Republic of Kazakhstan from 24 November

2016 No. 11-1-2/555 and the Minister of Internal Affairs of the Republic of Kazakhstan from 28 November 2016 No. 1100 “On approval of the rules for issuance of invitations, approval of invitations for entry of foreigners and stateless persons to the Republic of Kazakhstan, issuance, cancellation, restoration of visas of the Republic of Kazakhstan, as well as extension and reduction of their validity” (2021) was developed. In general, timely provision of legal advice, free access to the prosecutor, on-site analysis of each investor’s problem in cooperation with the relevant state authorities and comprehensive support of projects both in the centre and in the regions throughout their life cycle are planned.

The following measures are being introduced at the regional level: the appointment of certain prosecutors, such as senior assistant regional prosecutors, assistant city prosecutors and similar positions, to protect the rights and legitimate interests of investors. These officers will be supervised by one of the deputy prosecutors of the regions. Support for priority and special investment projects at the regional level that are part of the National Pool, which includes 873 projects with a total value of 28.1 trillion tenge and envisages the creation of 138 thousand jobs (National Pool of Investment..., 2023). Support will also be provided to republican investment actors operating in controlled territories. Support for investment projects of non-residents of the Republic of Kazakhstan who have obtained an investor visa to carry out investment activities in the country. Connection to the work of all regional consultative and advisory bodies of regional importance, which are engaged in improving the investment climate. Establishment of an effective system of Front Offices to provide legal advice and assistance in resolving investor problems. This system will include a 24-hour Call Centre and a Mobile Group for rapid response. Handling of investor complaints by the prosecutor without referring them to other government agencies. Regular review of problem cases submitted by Kazakh Invest’s regional offices and other government agencies. Monthly evaluation of acts of local executive and other state bodies providing public services and support to investors, with subsequent prosecutorial oversight and response. Monthly reporting to the Prosecutor General’s Office on progress.

The following activities are carried out at the central level: the Deputy Prosecutor General is included in important advisory and consultative bodies at the national level, such as the Foreign Investors Council under the President of the Republic of Kazakhstan, the Coordination Council on Investment Attraction under the Government, the Investor Attraction Council (Investment Headquarters), and the Kazakhstan-European Dialogue Platform. A special department has been created within the General Prosecutor’s Office, which is responsible for the supervision of legality in the sphere of entrepreneurship and investment support.

Within the structure of the General Prosecutor's Office, a Committee on Asset Recovery was also established, whose competence is aimed at identifying and returning illegally acquired assets to the state, bringing civil suits in foreign courts, concluding and agreeing international agreements in this area. Procurators organise and coordinate support for investment projects at all levels (national and regional). Procurators support priority and special investment projects at the national level, which are included in the nationwide pool. Work is underway to amend the Entrepreneurship Code to give the Prosecutor General the right to issue binding instructions on the protection of the rights of investors and entrepreneurs, within the powers defined in Article 35, paragraph 8, of the Constitutional Law of the Republic of Kazakhstan No. 155-VII "On the Prosecutor's Office" (2022). Participate in the development of the Interactive Map of Atameken Investment Projects (NCE Atameken presented..., 2023), which displays all stages of investment projects, their investment volumes, and other characteristics. Coordinate the work of the legal services of all authorised state bodies responsible for protecting the rights of businesses and investors, within the framework of their powers to coordinate the activities of state bodies to ensure the rule of law.

To solve systemic problems of law enforcement and create uniform practice, including judicial practice, as well as to reduce pressure on investors and entrepreneurs, and to reduce the number of court disputes, an Interdepartmental Working Group was established on the platform of the General Prosecutor's Office. This group includes the heads of the legal services of central State bodies and representatives of the Supreme Court. A mobile group of the Procurator-General's Office for the protection of the rights of businesses and investors is in operation, which visits sites to assist in resolving problems.

To improve the efficiency of Kazakh Invest's Front Offices across the country, Front Offices (expert staff) have been set up at regional prosecutor's offices. They include heads of local executive bodies, representatives of national security bodies, financial monitoring, and anti-corruption agencies, as well as regional representatives of Atameken and Kazakh Invest. Thus, the prosecutor's office will ensure compliance with the rule of law at all stages of investment project implementation. At this point, the Prosecutor General's Office is already working closely with Kazakh Invest under a Memorandum of cooperation and is actively working on 10 problem cases (Order of the Acting Minister..., 2023). These cases include criminal investigations, civil cases, plant relocations, utility problems, land allocation and more. According to the Investment Agreement from 2021, the Government is not fulfilling its obligations to procure 4 thousand plants and establish a special economic zone and others. In early June this year, the

Government was instructed to intensify the implementation of the previously signed Agreement and to discuss with the investor the issue of its revision.

Thus, the focus is on solving systemic problems. It is worth noting that the measures taken can strengthen mechanisms to protect the interests of investors and contribute to the improvement of the investment climate. Work in this direction is under special control of the leadership of the Prosecutor General's Office.

In conclusion, the integration of criminological methodologies into the analysis of investment environments is imperative. The engagement of prosecutorial bodies in safeguarding investments against corruption and economic crimes is a testament to the proactive approach required to fortify the investment sector against potential legal infringements. The relationship between law enforcement agencies and investment protection in Kazakhstan illustrates the vital role of criminology in understanding and mitigating risks associated with economic activities. Future research should further explore the intersections of criminology and investment to develop robust frameworks that ensure the security of foreign and domestic investments while upholding the rule of law and enhancing transparency.

Discussion

At the current stage of Kazakhstan's development, the key direction is to achieve high growth rates of the economic plan and increase the efficiency of this sector. In this context, attracting foreign capital into the country's economy is of particular importance, given the limited domestic sources of financing structural changes in the economy. It is worth noting that the true value of the strategy is manifested not only in its formulation but also in its successful implementation.

Foreign capital is needed not only as a cash flow but also as an important channel for introducing the latest global scientific and technical achievements and technologies following the position of P. Bolton et al. (2020). It is worth concurring with this, as innovation contributes to the adaptation of subjects to market conditions and allows them to rationalise their activities. To realise new capacities of production character in Kazakhstan, first of all, the import of direct production investments is necessary. This requires the development of a programme to attract foreign investment in the republic. According to A.M. Lipton (2020), in this case, it is worth emphasising the principles that express the feasibility of investment plan projects.

These principles include economic feasibility, which stems from the critical need to solve socio-economic problems, investment deficit and limited domestic resources, as well as the attractiveness of the conditions of investment projects involving foreign investors (Choudhury, 2020). According to J.P. Graf (2022), this

principle provides an opportunity to realise high income and profitability of projects and increase employment. It should also limit the access of foreign capital to certain types of national resources, such as land. A. Adamska and T.J, Dąbrowski (2021) write that an important aspect is the benefit for the state and individuals to enter into this kind of legal relationship. It is worth agreeing with this position and noting that this means targeting the most promising objects, for example, following the policy of investment and structural plan in Kazakhstan. Implementation of the principle of minimising commercial risk for the republic depends on ensuring sufficient awareness of enterprises and competent management bodies. The principle of global experience determines that each country has its unique characteristics and may have different degrees of development in certain areas of economy, technology, and finance (Arato, 2019). These principles serve as a practical basis for the management of investment attraction, playing a key role in the reform of the country's economy as a whole and the transition period, especially if they are aimed at reconstruction, restructuring and modernisation of the national economy.

As Z.Y. Ahmed and A.F. Jasim (2020) noted, one of the key directions for building cooperation of mutually beneficial plans is the attraction and effective use of foreign. It is worth adding to the position of the authors that with their help it is possible to improve and increase the efficiency of the deformed structure of production in the economy of Kazakhstan. This will allow to implementation of new high-tech enterprises, modernise assets and upgrade technical equipment at many enterprises. In addition, it will help to train workers and introduce advanced management, marketing, and know-how, while saturating the domestic market with high-quality domestic goods, which also helps to increase exports to foreign countries. On this basis, FDI in Kazakhstan's economy appears to be an objective necessity. The world experience of countries allows us to conclude that the inflow of foreign plan capital and regulation of its use has a positive impact on the economy (Boburjon and Shohruhxon, 2023). Foreign investment helps to stimulate and strengthen private entrepreneurship in countries with medium and low levels of economic development, catalysing capital inflows for large projects, joint ventures, and the development of credit capital markets. Successful integration of Kazakhstan's economy into global economic relations is important for the strategy of overcoming economic crises.

L. Hornuf et al. (2022) note that despite the presence of extensive natural resources and strategic location, the investment climate in Kazakhstan is quite promising but unstable. This instability is due to several negative aspects that hinder the inflow of foreign investment into the country. The presence of these factors is due to the negative domestic policy of the government of the Republic of

Kazakhstan. A survey of interested foreign investors identified five key barriers to attracting foreign investment in Kazakhstan: bureaucracy, financial risks, Kazakhstan's tax and financial system, legal infrastructure (including frequent changes in legislation) and currency control (Akimbekova and Moroz, 2021). According to the position of H. Spamann (2022), the economic effects of foreign direct investment can be divided into two main categories: effects related to the object of investment and effects related to the investor. Subject effects represent real changes that occur in a sector of Kazakhstan's economy as a result of the operation of foreign direct investment. Subject effects, in turn, refer to the impact that investors feel by placing their capital in the Kazakhstan market.

A two-way relationship between investors and Kazakhstan's economy exists. Foreign direct investors, through their participation in the real sector of the economy, influence the economic development of Kazakhstan. A.M. Kamola (2022) notes that the more an investor invests in the economy, the more sources of development it receives. In turn, economic growth, and the creation of a favourable macroeconomic environment in the country contribute to the increase in investor income. To achieve the best results from the interaction of foreign direct investment in Kazakhstan, certain conditions are necessary. These include, first and foremost, a stable political and economic environment, sustained economic growth and free market legislation. These conditions are generally appropriate for modern Kazakhstan.

To minimise the negative effects of the object of investment, it is also necessary to create an optimal structure of national foreign direct investment (Falavigna and Ippoliti, 2022). At the moment, legislation regulates sectors of the economy in which investment activities are restricted or prohibited. To maximise positive outcomes for the investee, it is necessary to improve the regulatory framework, including environmental legislation and the country's financial infrastructure. The deterioration of the investment climate must not have a decisive impact on individual sectors and Kazakhstan's economy as a whole. That is, the departure of foreign investors should not be accompanied by significant losses for the national market.

When analysing the activities of foreign direct investment and developing a national investment strategy, it is necessary to consider its effects both on the investor itself and on the country in which the investment is made. Dividing the effects of foreign direct investment into subject and object effects allows for a comprehensive analysis of the situation with foreign direct investment in Kazakhstan, identifying areas of convergence and divergence of interests, and solving common problems more effectively. This, in its turn, can contribute to

improving the efficiency of interaction between direct investment and the economy of the republic.

Conclusion

This study's examination of the investment sector in the Republic of Kazakhstan, through a criminological lens, revealed several key aspects. Statistical analysis highlighted the Netherlands, the USA, and Switzerland as leaders in per capita investment attraction, attributing their success to well-developed legislative frameworks that also effectively counter economic crimes, enhancing their investment climates. In Kazakhstan, the Atyrau region, and the cities of Almaty and Astana are noted for attracting significant investments. Industry analysis shows a concentration of investment in sectors such as mining, manufacturing, and financial services. Despite a diverse investment structure, foreign direct investments' contribution to Kazakhstan's GDP remains steady at about 16-18%. This study suggests the need for adaptive investment strategies that reflect the priority economic sectors, geopolitical shifts, and societal needs.

The activities of Kazakhstan's authorized bodies indicate an ongoing development of measures aimed at creating a favorable investment environment, free from corrupt practices and other criminal impediments. Proposed actions include providing investors with timely legal advice, enhanced accessibility to prosecutorial support, and thorough on-site analyses of investment challenges in collaboration with relevant agencies. The prosecutor's office is set to develop further anti-corruption strategies and support measures to enhance the investment climate. Future research will focus on comparative analyses with international investment markets to refine Kazakhstan's approach to attracting and safeguarding investments, considering criminological factors that influence economic interactions on a global scale.

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