

Notice of Uncontested Sanctions Proceedings

May 7, 2025

**Sanctions Case No. 785
IDA Credit Number 5430-KG and IDA Grant Number H934-KG
(Kyrgyz Republic Central Asia Road Links Project - CARs-1)**

**Respondent:
Urumqi Zhenyu Global Trading Co., Ltd.**

1. On January 22, 2025, the World Bank's Chief Suspension and Debarment Officer (the "SDO") issued a Notice of Sanctions Proceedings (the "Notice") to Urumqi Zhenyu Global Trading Co., Ltd. (the "Respondent") pursuant to sub-paragraph 4.1(a) of Section III.A of the Bank Procedure: Sanctions Proceedings and Settlements in Bank Financed Projects issued by the Bank on November 30, 2023 (the "Sanctions Procedures").
2. The Statement of Accusations and Evidence (the "SAE") prepared by the Bank's Integrity Vice Presidency ("INT") and appended to the Notice contained INT's accusations that the Respondent engaged in Sanctionable Practices (as defined in the Sanctions Procedures) in connection with the above-named project (the "Project"). The SAE also contained the evidence gathered by INT in support of these accusations.
3. The specific accusations made by INT in the SAE were that the Respondent engaged in (a) a fraudulent practice by including falsified manufacturer's authorization forms in a bid for certain contracts for the procurement of road maintenance equipment under the Project; and (b) a fraudulent practice by submitting falsified factory inspection reports with respect to the relevant contracts under the Project.
4. Based on a review of INT's SAE conducted in accordance with sub-paragraph 4.1(a) of Section III.A of the Sanctions Procedures, and pursuant to sub-paragraph 4.1(c), sub-paragraph 9.1, and sub-paragraph 9.4 of Section III.A of the Sanctions Procedures, with due consideration of the factors set forth in sub-paragraph 9.2 of Section III.A of the Sanctions Procedures and in the World Bank Group Sanctioning Guidelines, the SDO recommended in the Notice that the Respondent, together with certain Affiliates (as defined in the Sanctions Procedures) where so specified, be sanctioned as follows:

Urumqi Zhenyu Global Trading Co., Ltd.
(“Zhenyu”)

Recommended Sanction: Debarment
Period of Ineligibility of One (1) Year and Six (6) Months

It is recommended that Zhenyu (together with any entity that is an Affiliate directly or indirectly controlled by Zhenyu) be declared ineligible (i) to be awarded or otherwise benefit from a Bank-financed contract, financially or in any other manner;¹ (ii) to be a nominated² sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract; and (iii) to receive the proceeds of any loan made by the Bank or otherwise to participate further in the preparation or implementation of any Bank-Financed Project for a period of ineligibility of one (1) year and six (6) months.

In determining this recommended sanction, the SDO took into account, as an aggravating factor, the multiple incidences of Zhenyu’s fraudulent misconduct. The SDO also took into account the nature of the fraudulent misconduct that occurred, and as mitigating factors, Zhenyu’s cooperation with INT’s investigation and the significant amount of time that has passed since the sanctionable practice occurred. The SDO did not apply any additional aggravating or mitigating factors.

This declaration of ineligibility will extend across the operations of the World Bank Group, including IFC, MIGA, and the guarantee and carbon finance operations of the Bank.³ The Bank will also provide notice of this declaration of ineligibility to the other multilateral development banks

¹ For the avoidance of doubt, the declaration of ineligibility to be awarded a contract will include, without limitation, (i) applying for pre-qualification, expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract.


² A nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider (different names are used depending on the particular bidding document) is one which has been (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid or (ii) appointed by the borrower.

³ Sanctions Procedures, . . . sub-paragraph 9.1(c) of Section III.A. For the avoidance of doubt, the declaration of ineligibility also extends to activities financed through trust funds administered by the Bank to the extent governed by the Bank’s Procurement Regulations (or either of the Regulations’ predecessor documents, the Procurement Guidelines and Consultant Guidelines) or Anti-Corruption Guidelines, as defined in the Sanctions Procedure. *Id.*, Section II and sub-paragraph 1.1(c)(i) of Section III.A.

(“MDBs”) that are party to the Agreement for Mutual Enforcement of Debarment Decisions (the “MDB Cross-Debarment Agreement”) so that they may determine whether to enforce the declarations of ineligibility with respect to their own operations in accordance with the MDB Cross-Debarment Agreement and their own policies and procedures.⁴

5. In accordance with sub-paragraph 4.2(b) of Section III.A of the Sanctions Procedures, the Respondent submitted a written Explanation (as defined in the Sanctions Procedures) on February 14, 2025. After consideration of the arguments and evidence presented by INT in the SAE appended to the Notice and the arguments and evidence presented in the Respondent’s Explanation, the SDO determined that there was no basis for (i) a withdrawal of the Notice pursuant to sub-paragraph 4.3(a)(i) of Section III.A of the Sanctions Procedures; or (ii) a revision of the recommended sanction pursuant to sub-paragraph 4.3(a)(ii) of Section III.A of the Sanctions Procedures.
6. Sub-paragraph 4.4 of Section III.A of the Sanctions Procedures provides that if a respondent does not contest the accusations or the sanction recommended by the SDO in a Notice of Sanctions Proceedings by submitting a Response (as defined in the Sanctions Procedures) to the World Bank Group Sanctions Board (the “Sanctions Board”) within ninety (90) days after delivery of such Notice of Sanctions Proceedings, the sanction recommended by the SDO shall enter immediately into force.
7. No Response having been submitted to the Sanctions Board by the Respondent within the specified period, INT’s accusations in the SAE and the sanction recommended by the SDO in the Notice are deemed uncontested for purposes of sub-paragraph 4.4 of Section III.A of the Sanctions Procedures, and the recommended sanction set forth in paragraph 4 above has entered into force as of the date hereof.

⁴ At present, the parties to the MDB Cross-Debarment Agreement are the Bank Group, the African Development Bank Group, the Asian Development Bank, the European Bank for Reconstruction and Development, and the Inter-American Development Bank Group. The MDB Cross-Debarment Agreement provides that, subject to the prerequisite conditions set forth in the MDB Cross-Debarment Agreement, unless a participating MDB (i) believes that any of the prerequisite conditions set forth in the MDB Cross-Debarment Agreement have not been met or (ii) decides to exercise its rights under the “opt out” clause set forth in the MDB Cross-Debarment Agreement, each participating MDB will promptly enforce the debarment decisions of the other participating MDBs.

A handwritten signature in blue ink, reading "Jamieson A. Smith". The signature is fluid and cursive, with the first name "Jamieson" being the most prominent part.

Jamieson A. Smith
Chief Suspension and Debarment Officer
Office of Suspension and Debarment (OSD)
The World Bank