

## COST OF DOING BUSINESS IN THE KYRGYZ REPUBLIC





### **Dear Ladies and Gentlemen,**

The Chamber of Commerce and Industry of the Kyrgyz Republic welcomes you to the latest issue of the "Cost of Doing Business in the Kyrgyz Republic." In 2013, we published the first edition that has become popular among both entrepreneurs and foreign investors.

In this edition, the reader will find up-to-date information on opening and operating a business in the Kyrgyz Republic. All data has been obtained from reliable official sources.

In this edition we have included a greater number of graphics to present information in a more quickly comprehensible manner. It should be noted that the publication is available in electronic version on the website of CCI KR – www.cci.kg, as well as on the websites of our partners.

With the popularity of the first edition, we are confident that the second edition will be a good tool for prospective business projects. We hope that it will be useful for those who are considering investment in various sectors of the economy or looking for opportunities to expand their business.

We express appreciation to the program, "Promoting sustainable economic development in the Kyrgyz Republic" of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH (German Federal Enterprise for International Cooperation) that actively assisted in the publication of the second edition of the "Cost of Doing Business in the Kyrgyz Republic".



Further, the Chamber of Commerce and Industry of the Kyrgyz Republic, which initiated this publication project, is always open for cooperation and is ready to assist in the promotion and development of your business.

We wish success to your business!

Sincerely, Marat Sharshekeev The President of the Chamber of Commerce and Industry of the Kyrgyz Republic



#### Dear readers,

I would like welcome you to the updated version of "The Cost of Doing Business in The Kyrgyz Republic." This publication has been prepared with the goal of helping potential and existing investors who need reliable information on doing business in the Kyrgyz Republic. Many investors entering the Kyrgyz market face a number of issues related to the rules and regulations in doing business, such as the tax regime, licensing, cost of services, banking, work on the development of mineral resources, etc.

In this edition, we have attempted to provide investors with all the necessary information to do business in the Kyrgyz Republic and aspire to be a useful guide for all those wishing to start a business in our country.

On a personal note, I would like to add that our Agency seeks to be a reliable and long-term partner to investors. We sincerely wish you success in your business!

#### Sincerely, Almaz Sazbakov

Director of The Investment Promotion Agency under the Ministry of Economy of the Kyrgyz Republic

## THE INVESTMENT PROMOTION AGENCY UNDER THE MINISTRY OF ECONOMY OF THE KYRGYZ REPUBLIC

The Investment Promotion Agency under the Ministry of Economy of the Kyrgyz Republic works to attract and promote foreign direct investments in the Kyrgyz Republic. On March 18, 2014, the decree establishing the Agency was signed, and it officially began its work on September 15, 2014.

The goal of the Agency is to attract and promote foreign direct investments in the Kyrgyz Republic in cooperation with government agencies, local government bodies, the business community, and the non-governmental sector.

Objectives of the Investment Promotion Agency of the Ministry of Economy of the Kyrgyz Republic are:

- Participation in the development and implementation of measures to promote investment activity;

- Ensuring collaboration between state agencies, local government bodies, the business community, and the non-governmental sector in the implementation and support of investment programs and projects for both public-private partnerships and private investment in the territory of the Kyrgyz Republic;

- Development of international and inter-regional economic relations of the Kyrgyz Republic for the purpose of attracting investment;

- Promoting diversification within the Kyrgyz Republic by making recommendations for attracting investment in priority sectors of the economy.

The Agency has four departments: investment project promotion, investor support, information analysis, and PPP (Public Private Partnership) development. In total, the Agency employs 21 experts.

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## THE CHAMBER OF COMMERCE AND INDUSTRY OF THE KYRGYZ REPUBLIC



The Chamber of Commerce and Industry of the Kyrgyz Republic is a nongovernmental, non-profit organization founded on December 24th, 1959, and now acts on the basis of the law "On the Chamber of Commerce and Industry of the Kyrgyz Republic" adopted by the Parliament of the Kyrgyz Republic on April 13th, 1994. The mission of the CCI of the Kyrgyz Republic is to promote a beneficial legal environment,

infrastructure, and other circumstances conducive for the establishment, development, and protection of business in the Kyrgyz Republic. The CCI is committed to ensuring real and equal opportunities for every entrepreneur to develop businesses in the country and to access international markets.

The Chamber of Commerce and Industry of the Kyrgyz Republic is a member of organizations such as the International Council for Cooperation of the Chambers of Commerce and Industry and the Economic Chambers of the CIS countries and Baltic States, Eastern and Central Europe; the Islamic Chamber of Commerce; and the Chamber of Commerce of the ECO. The CCI of the Kyrgyz Republic has long-term cooperation agreements with the Chambers of more than 50 countries. The main focus of the agreements is: the exchange of information, commercial proposals and business delegations, conducting exhibitions and fairs, and assistance for establishing direct contacts.

Bilateral Business Councils have been established within the CCI of the Kyrgyz Republic and they cooperate with many foreign countries. After joining the Business Councils, businesses have the opportunity to meet and exchange information, ideas, and prospective projects requiring investment and joint implementation.

The Chamber of Commerce and Industry of the Kyrgyz Republic has representative offices in many foreign countries which

provides local entrepreneurs with opportunities for new partnerships and entrance into promising markets. The CCI has offices in all the regions of Kyrgyzstan which allows necessary services for entrepreneurs to be provided in a timely manner throughout the country.

The Committees of the Chamber of Commerce and Industry of the Kyrgyz Republic are formed and operated in order to bring together the business communities of the Kyrgyz Republic to address critical issues regarding the development of entrepreneurship, the improvement of the established legal framework, the promotion of participation by entrepreneurs in the formation and implementation of government support measures, and the establishing of lasting business relations in the Kyrgyz Republic and foreign countries. The work of the Committees of the CCI is based on participation by volunteers. Recommendations and proposals on current business issues are developed during the meetings of the Committees and then sent for further consideration to the relevant government agencies and local authorities.

The constituency of the Chamber of Commerce and Industry of the Kyrgyz Republic, its members, is constantly growing in number. Membership in the CCI is a sign of the maturity and reliability of the organization worldwide. Full members of the CCI of the Kyrgyz Republic are legal entities and individuals of the Kyrgyz Republic and other states, as well as their associations carrying out their activities within the territory of the Kyrgyz Republic. Membership in the CCI contributes to a higher level of confidence in the company and demonstrates the importance of the company as a member of the business community showing that it is not only profitable but prestigious as well.

It is necessary to send a statement signed by the head and chief accountant, submit the completed application form, and pay membership dues to become a member of the CCI of the Kyrgyz Republic.

### The CCI membership dues:

Subjects		A one-time admission fee		The annual membership fee	
	KGS	USD	KGS	USD	
Private entrepreneurs and government agencies	3 000	50.9	3 000	50.9	
Small and medium-sized enterprises with up to 150 employees	10 000	169.8	5 000	84.9	
Large enterprises with more than 150 employees	30 000	509	10 000	169.8	

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### The reviewers:

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The opinions and analyses in this book do not necessarily reflect the views and official policies of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH





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## 1. THE KYRGYZ REPUBLIC



7. "Kalikova & Associates" Law Firm

## **STATE STRUCTURE**



In the Kyrgyz Republic the structure of the state is defined by the Constitution adopted on the 27th of June, 2010. The new constitution structures the government of Kyrgyzstan as a parliamentary republic. As a result, Kyrgyzstan is unique as the only parliamentary republic in the region.



## LANGUAGE

The state language of the Kyrgyz Republic is Kyrgyz, and the official language is Russian. Both languages have equal force, and record-keeping is maintained in both languages.



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## HISTORY

The Kyrgyz Republic is a secular state that gained independence at the end of the last millennium, and has conducted an open integration policy with other countries and the world market as a whole. The country has a rich and ancient history. The first mention of the Kyrgyz is by a famous Chinese historian and chronicler - Sym Qiang - in 201 BC.



## GEOGRAGH&rritory: 199.951 sq. km

- Mountainous territory 94.2% of its territory lies at a height of more than 1000 m above sea level, and 40.8% at more than 3000 m.
- Climate: moderate continental
- Water resources: The Republic is one of 20 countries in the world that has plenty of fresh water
- Based on its the administrative-territorial system, the Kyrgyz Republic is a **unitary state**
- Capitol: **Bishkek**
- Time zone: UTC +6



## ADMINISTRATIVE-TERRITORIAL DIVISION



## POPULATION

The resident population, according to estimates, as of beginning of 2014 was 5.776 million compared to 5.663 million as of beginning of 2012, a growth of 113.4 thousand or 2%.

## Ethnic composition, 2014



Source:www.stat.kg National Statistic Committee of the Kyrgyz Republic, Main Computer Centre

## **MACROECONOMIC INDICATORS**

	KGS soms	US dollars at the rate of the National Bank of the KR as of 31.12.2014 (58,9)	
GDP	397.3 bln.	6.7 bln.	
Per capita GDP	71.200	1.210	
Divisions of economic activity	Industry, including light, energy, and mining industry (gold, coal, stibium, fluorite concentrate), transport and communications, construction, agriculture		
Fixed capital expenditure	105.8 bln.	1.8 bln.	
Export	86.1 bln.	1.46 bln.	
Import	298.6 bln.	5.07 bln.	



	KGS soms	US dollars at the rate of the National Bank of the KR as of 31.12.2014 (58,9)
Basic kinds of exported goods	Gold, cotton, wool, clothes, shoes, meat, tobacco, mercury, uranium, electric energy, equipment	
Basic kinds of imported goods	Oil and gas, equipment, medicine, food stuff	
Inflation	7.5 %	
Foreign debt (% of GDP)	50.9%	

Sources: www.mineconom.kg the Ministry of Economy of the KR, www.minfin.kg the Ministry of Finances of the Kyrgyz Republic, www.stat.kg National Statistic Committee of the Kyrgyz Republic, Main Computer Center

## **GROSS DOMESTIC PRODUCT**

Economic growth in 2014 was largely due to the positive contribution of construction and services at levels of 1.58 and 1.93 percent respectively. On the other hand, the agriculture and industrial sectors negatively influenced the GDP at minus 0.09 and 0.32 percent respectively.

Industry	During 2014, the industrial sector produced goods worth 167.6 billion som (\$2.8 billion) in total. Compared with 2013, the volume of production decreased by 1.6% (after an increase of 28.6% during 2013). If Kumtor company is excluded, then there was growth of 3.4% (after an increase on 1.8% in 2013). This was due to an increase in the energy sector of 7.8%. The industrial production consists of five main industries: Metallurgical production; Foodstuffs, including drinks and tobacco; Fabric and garment manufacturing; Construction materials; and energy, water, and gas generation. The sector provides more than 155 thousand jobs and includes more than 1.800 companies across the country.
Agriculture	In 2014, agriculture, forestry and fisheries produced a gross output of 194.4 billion som that when adjusted for inflation is 0.6% less than the previous year (compared with an increase of 2.7% in 2013). A dry summer and the lack of water was noted as the reason for the decline in this sector. The average annual growth rate in the volume of production for 2009-2013 was 2%. Within the gross output of agriculture, hunting, and forestry in 2013, crop production made up 50.2%, livestock – 47.6%, hunting and forestry – 0.2%, and agricultural services – 2.1%.
	The output of the construction industry amounted to 96.9 billion soms (\$1.65 billion) in 2014, with an overall growth of 24.9% (compared with an increase of 16.4% in 2013). The role of the construction sector in GDP grew up by 1.1% and amounted to 7.4% of GDP. In 2013, there were 637 construction companies registered in the country.



Trade	In 2014, Kyrgyzstan's exports including gold were a total of \$1.88 billion, 6.3% lower than previous year (in 2013, exports amounted to \$2.01 billion). The country's total imports in 2014 were \$5.73 billion, 4.3% lower than the previous year (in 2013, imports amounted to \$5.99 billion). In general in 2014, the foreign trade turnover decreased by 4.78% compared with 2013, and amounted to \$7.61 billion. In the commodity structure of exports, there are several dominant segments like precious metals, industrial goods, various finished products, machinery and transport equipment, food, animals, and others. For imports, The largest share is made up of industrial goods and various finished products, machinery and transport equipment, and other mineral products.
Services	Services rendered by business entities (legal entities and natural persons) for 2014, according to preliminary estimates, amounted to 333.2 billion KG soms (\$5.66 billion), an increase of 8.3% compared with the previous year. The service sector made a positive contribution to the growth of GDP, estimated at 1.93%.
Energy and water resources	The Kyrgyz Republic has a great potential for hydropower development. The Republic occupies third place among the CIS states in the volume of water resources generated in its territory. The country counts 252 large and medium rivers whose potential is estimated at 18.5 million kW of power and more than 140-160 bln. kWh. of electrical power, of which less than 10% is used. The rivers Naryn, Sary-Jaz, Kokomeren, Chatkal, Tar, Chu, Kara- Darya and Chon–Naryn have large reserves of hydropower resources, with average slopes varying from 5 to 20 m for 1 km length, and the average specific capacity ranges from 2227 to 5322 kW/km.

Source: www.stat.kg National Statistic Committee of the Kyrgyz Republic, Main Computer Center

"Kumtor" is the largest gold-mining project of Centerra Gold International Company that is being implemented in Kyrgyzstan. The Kyrgyz Republic through "Kyrgyzaltyn" OJSC is a holder of the largest stock of the Company's shares or about 33% Gold deposits are evaluated at 700 tons. "Kumtor" – is the most highly mountainous mine in the world. The deposit is located in the Issyk-Kul district of the country at a distance of 350 km from Bishkek and 60 km. from the border with China. It is the most successful and major budget revenue generating project in the country. Kumtor's share of the GDP of Kyrgyzstan is 12%.

## NATURAL RESOURCES AND MINERALS

The Kyrgyz Republic has great potential with many types of natural minerals. Geologists have discovered thousands of different deposits and occurrences of metallic and nonmetallic minerals within its territory. The complex and long geological development of the Kyrgyz Tien Shan has created favorable conditions for the formation of various mineral deposits. Among the main types of metallic minerals are: iron, manganese, vanadium, aluminum, tungsten, tin, mercury, antimony, beryllium, bismuth, tantalum, niobium, gold, silver. The discovered reserves of minerals of gold, mercury, and antimony allow domestic demand to be met, as well as successful export to be pursued. There are great prospects for the extraction of iron, vanadium, aluminum, copper, molybdenum, and beryllium. The industrial significance of tantalum, cobalt, zirconium, lithium, and colored stones extraction should not be excluded. Kyrgyzstan ranks fourth in the CIS after Russia, Uzbekistan and Kazakhstan in gold production.

## Natural resources and minerals of the KR as of January, 2013:

Resource	Deposits	Geological reserves (2013)	Annual production (2012)
Gold	Kumtor, Makmal, Solton-sary, Terk, Terekkan, Ishtamberdy, Djeruy	460 tons	10.3 tons.
Mercury	Khaidarkan, Novoe, Chonkoi, Chauvay	63.30 thous. tons	74.7 tons
Stibium	Kadamjai, Terk, Khaidarkan, Novoe, Kassan, Northern Aktash and Abshir	265.2 thous. tons	924.2 tons
Oil	The deposits are located in Djalal-abad and Batken districts	97.4 mln. tons	77.1 thous. tons
Coal	Kara-Keche-Central area. Suliukta-mine field e №11. Coals of rank K-Uzgen basin, MinKush	1.3 bln. tons	1184 thous. tons
Natural gas	The deposits are concentrated in the southern regions of the country in the foothills of Fergana valley.	12.6 bln. m³	28.5 thous. m <sup>3</sup>
Aluminum	Sandyk and Sardalek	298 mln. tons	No production
Tin	Trudovoe, Uchkoshon and Kensu	208.8 thous. tons	No production
Tungsten	Trudovoe, Uchkoshon and Kensu	124.9 thous. tons	No production
Rare-earth metals	Kutessai II, Aktiuz mine	51.5 thous. tons	No production
Beryllium	Kalesai, Tiuktu-Archa, Chetendy, Uzun-Tashty	86.6 mln. tons	No production

Besides the minerals shown in the table, Kyrgyzstan also has reserves of uranium. For about 100 years, starting in pre-revolutionary Russia, the deposits of radioactive ores and minerals in Kyrgyzstan were the only sources of uranium and radium for Russia. From 1907 to 1970 it produced the first Soviet radium. Since the mid-1950s, Kyrgyzstan was the largest uranium producer in the former Soviet Union.

In the territory of the Kyrgyz Republic, there are hundreds of deposits of building materials, mining, and chemical raw materials. Five cement plants with a capacity of 2.57 million tons of cement per year are operating on its base. The existing raw material base of construction materials allows the needs of the Republic to be met.

Source: www.geology.kg State Agency for geology and mineral resources under the Government of the KR



## **INVESTMENT CLIMATE**

Government of the Kyrgyz Republic in recent years has implemented a broad range of reforms in order to create a favorable investment environment to encourage investments in the country. At the same time it is pursuing an open and liberal investment regime in the country (one of the priorities of the state economic policy) by implementing a variety of events and reforms in the investment and entrepreneurial spheres and by the creation of a steady and predictable legal framework for domestic and foreign investment. The crucial economic and investment changes and reforms in this area are listed below.

### Creating a favorable investment environment



In 2014, the Investment Promotion Agency under the Ministry of Economy of the Kyrgyz Republic was founded. It provides additional support and assistance to investors in the country

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The Law of the Kyrgyz Republic "On Public- Private Partnership in the Kyrgyz Republic" was adopted in 2012 and increases the transparency of interaction and collaboration between government and business and also determines the types of government support the state guarantees along with the protection of private investment.



In Kyrgyzstan there is visa-free entry regime for the citizens of the 61 countries.



In 2012, through the provision of a Government Decree, 59 enterprises processing agricultural products were exempted from income tax.



In 2012, Pursuant to a Government decision, companies operating in the textile, clothing manufacture, and furniture industries were exempted from customs clearance fees imposed for the import of equipment used exclusively for their own business purposes.



The investment threshold allowing an investor to receive an investor visa is \$ 500 000.



As a result of the reforms, instead of a mandatory submission of 55,000 documents, including more than 20,000 national standards and 2,000 health and safety regulations, there are currently only 32 technical regulations, no more than 100 standards, and 5 health and safety regulations



Investors are entitled to freely repatriate capital as well as income gained from investment activities in the territory of the Kyrgyz Republic in a freely convertible currency.



In 2013, the President of the Kyrgyz Republic approved a national strategy aimed to address the causes of corruption in the government structure, which will help eradicate corruption factors in the public service delivery system and to create the conditions for the smooth and timely access by citizens and investors to high-quality services.

Status of Kyrgyzstan in the international rating "Doing business" classified by the World Bank and International Finance Corporation:



As shown in the table by the majority of indicators which exert an influence on the rating of business and investments of Doing Business in Kyrgyzstan there is significant improvement and growth.

# **2. FOUNDING A NEW ENTERPRISE**



## FORMS OF LEGAL ORGANIZATION FOR ENTREPRENEURSHIP IN THE KYRGYZ REPUBLIC

The creation of an enterprise is the official launch of the business that may act in the form of:





Individual Entrepreneur (without founding legal entity)

The process of opening a new enterprise and the choice of legal organization are crucial for a business.

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See law "On state registration of legal bodies and branches (agencies)" as of February 20th, 2009".

## Legal organization and forms of entrepreneurship according to the Kyrgyz Republic's legislation

Form of organization	Founders	Property origins	Liability for obligations	Further details*
Individual entrepreneur	Kyrgyz citizens, foreign citizens, persons without citizenship, temporarily or constantly residing in the Kyrgyz Republic	Not required	All property except for property which cannot be seized according the law	State registration
Full partnership	Citizens and/or legal entities. No less than two members	Partner Contributions	Joint subsidiary liability of all property born by partners for partnership obligations	Founded and operated on the basis of a foundation agreement which also functions as a charter of the partnership



Form of organization	Founders	Property origins	Liability for obligations	Further details*
Limited partnership	Full partners – citizens and/ or legal entities Limited partners – individual entrepreneurs and/or legal entities No less than two members	Partner and limited partner contributions	Full partners – all property Limited partners – according the contributions they made	There are one or several members (limited partners) together with members (full partners) performing business activity on behalf of the partnership and liable for obligations of the partnership
Limited liability company	Citizens and/or legal entities Founding by one person is possible	Participant Contributions	Does not bear the obligations of a company but a risk of loss related to the company's activity within the contributions they made	Founded and operated on the basis of a foundation agreement (if there is more than one founder) and a charter
Double Liability Company	Citizens and/or legal entities	Participant Contributions	Joint subsidiary liability of all property born by partners for partnership obligations	Founded and operated on the basis of a foundation agreement (if there is more than one founder) and a charter
Open Joint-stock Company	Citizens and/or legal entities Open Joint-stock Company may be founded by one person; there are no restrictions on the number of members. However, it is obligatory to publish an annual report in the mass media on financing and operating activities of the company if there are more than 500 stockholders, or a capital issue was allocated publicly	Participant (stockholders) contributions are made as the result of acquisition through the initial public offering of the shares of the company and their open sale	Stockholders bear a risk of loss related to the company's activity up to the value of stocks owned	Founded and operated on the basis of a foundation agreement (if there is more than one founder) and a charter

Form of organization	Founders	Property origins	Liability for obligations	Further details*
Close Join-stock Company	Citizens and/or legal entities Founding by one person is possible Maximum number of stockholders – 50	Participant (stockholders) contributions; stocks	Stockholders bear a risk of loss related to the company's activity up to the value of stocks owned	Founded and operated on the basis of a foundation agreement (if there is more than one founder) and a charter
Cooperative Societies (commercial and non- profit)	Citizens and/or legal entities No less than 7 (seven) members of a co- operative	Share contribution (share) – a contribution by a cooperative member to the shared fund expressed in money as well as property	Cooperative members bear a risk of loss related to cooperative's activity up to the value of shared contributions	Founding agreement is signed by the members and an adopted charter is the basic instruments
Farm holdings: • legal entity; • non-corporate	Members of the farm are considered to be spouses, children, parents, relatives and other persons jointly working together May consist of one person	The property of a farm holding belongs to its members based on the right of co-ownership if not otherwise is specified in the agreement	The members are responsible to use land effectively according to its purpose; improve soil fertility; apply modern technologies of agricultural industry; prevent environmental degradation as a result of its economic activity; implement a set of measures for land protection prescribed by the law	As a legal entity, its activity is based on a charter adopted at a general meeting of the farm holding's competent members, and an agreement defining the procedure of forming and severing the co- ownership of the legally registered farming operation. If non-corporate a farming operation is registered under the rules established for individual entrepreneurs

\*All economic entities regardless of the legal organization form are required to pass state registration

## THE MOST COMMON LEGAL ORGANIZATIONAL FORMS OF LEGAL ENTITIES IN THE KYRGYZ REPUBLIC

Legal forms of organization	Property liability of members	Minimum charter capital	Articles of association
Limited Liability Company	Up to their contribution to the charter capital		
Double Liability Company	Multiple of their contribution to the charter capital. Multiplier is determined by members themselves.	NOT Set	They are required, if there
			are more than one
Open Joint-stock Company	To the tune of the value of	100 000 \$1698 KGS	founder
	stocks owned.		
Close Joint-stock Company		100 000 KGS \$1698	

## ENTREPRENEURIAL ACTIVITY WITHOUT FORMING A LEGAL ENTITY (INDIVIDUAL ENTREPRENEURSHIP)

The legislation of the Kyrgyz Republic provides for two forms of business activity as an individual entrepreneur:



Certification of state registration as an individual entrepreneur is issued by the National Statistics Committee of the Kyrgyz Republic based on an individual entrepreneur's residence.

After registration as an individual entrepreneur it is necessary to contact the relevant offices of State Tax Inspectorate of the Kyrgyz Republic and Social Fund to be registered as a tax payer and social security contributor.

Individual entrepreneurs are obliged to keep a simplified accounting of income and expenses. Such accounts are kept in a special book of income and expenses numbered, laced, sealed, and registered with the State Tax Inspectorate of the Kyrgyz Republic. A patent is the document granted by the State Tax Inspectorate of the Kyrgyz Republic, certifying the payment of required taxes by individuals at their place of registration (residence) or their economic activity. Thus, individuals working on the basis of a patent do not report to the tax authorities but buy patent and extend its terms.

Individual entrepreneurs with a patent may do their work without registration with the National Statistics Committee of the Kyrgyz Republic if this type of entrepreneurial activity is included in the comprehensive activity list enabling entrepreneurship based on a patent.

#### Patent validity is one month.

Patent cost varies depending on the enterprise location and type of entrepreneurial activity ranging from 100 to 50,000 KGS (1.7 – 1188 US dollars).

Individuals purchasing a patent do not account income and expenses of the activities specified in the patent during its validity, do not pay income tax, and do not include the income defined above in the total annual income received from the entrepreneurial activities based on registration as an individual entrepreneur.

#### **KALIKOVA & ASSOCIATES**

"Kalikova & Associates" law firm, the largest and one of the leading law firms in the Kyrgyz Republic, has achieved the reputation of a reliable partner to its clients and promotes the development of business, trade and industry in Kyrgyzstan. The firm provides legal services to foreign and local companies, transnational corporations and international organizations operating in various sectors of the Kyrgyz economy, including banking and finance, mining, telecommunications, pharmaceutical, hospitality, tobacco and other industries. The lawyers of the firm render legal services that meet high standards of professional and ethical conduct.



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## BRANCHES AND AGENCIES OF FOREIGN LEGAL ENTITIES

of certain services.

According to the legislation of the Kyrgyz Republic branches and agencies have the rights and obligations provided to legal entities by the law of the Kyrgyz Republic.

The legislation of the Kyrgyz Republic also provides for a number of restrictions on branches and agencies. Thus, the duration of a branch or an agency is limited to the duration of the parent company. In addition, a branch or agency may not be granted a license for certain types of activities or delivery

## Branches and foreign companies' agencies are:

not legal bodies in the Kyrgyz Republic.

Agencies only represent and protect the interests of a foreign legal body, making deals and other legal actions on its behalf.

Branches perform all (or part of ) the operations and functions of the foreign legal entity, including representative functions.

Branches and agencies are registered by the Ministry of Justice of the Kyrgyz Republic or its offices. A legal body must provide the following documents for registration: application for registration;

a resolution to found a branch or an agency by the authorized foreign legal entity;

legalized extract from public register, or other document certifying validity of the legal entity according to the legislation of its state;

a permit from National Bank of the Kyrgyz Republic is required when a branch or agency of a foreign bank is founded.

Registration term is 10 calendar days from the date of application with all required documents Registration costs 9 KGS (0.15 USD)

## Foreign individuals' participation

The legislation of the Kyrgyz Republic grants equal investment rights to local and foreign investors. Foreign investors have a number of essential legal guarantees including: export and repatriation of investment, property and information; guarantees of protection against expropriation; guarantees of the use of income and freedom of monetary transactions.

## CREATION OF A COMMERCIAL BANK WITH FOREIGN CAPITAL



Commercial bank should be established as joint-stock company and obtain a license from the National Bank of the Kyrgyz Republic. Charter capital of a bank should amount to 600 million KGS (\$ 10 186 757)

**V** Foreign founders are legal persons subject to review (registration) in the country of their origin and must additionally provide:

a written consent of the relevant foreign review authority for investment in the bank under creation, if it's required under the law of the country of their origin; or

a written certification that such a consent is not required according to the law of the foreign country.

Time for processing application and granting a license - 6-8 months.

## **INCORPORATION PROCEDURE**



## REGISTRATION OF INDIVIDUAL ENTREPRENEUR (UNINCORPORATED)

1 💼 National Statistics Committee

Registration at National Statistics Committee:

when the application is filed the statistics authority employee will begin registration of an individual entrepreneur. Generally, it takes several minutes, and the state registration certificate for an individual engaged in business activity will be issued same day;

↗ the cost will amount to 30 to 50 KGS (\$ 0.50-0.85)

## State Tax Service

Tax registration of individual entrepreneurs is required for tax payment to the state budget. If one is not registered at the Tax Service, one will not be able to do business freely. Moreover, registration at the State Tax Service is necessary to obtain a seal required for certification of registration from the tax authorities.

Simplified tax system is handled through patent purchase.

↗ Registration is done by territory, i.e. place of residence or economic activity.

In the case where a foreign citizen wants to do business in the Kyrgyz Republic, he/she must contact the state tax inspectorate at the place of registration in internal affairs agencies for registration of individual entrepreneurship.

COST OF DOING

IN THE KYRGYZ REPUBLIC

It is due to the fact that foreign citizens are subject to the governmental control of their business activity in the Kyrgyz Republic; they must pay taxes prescribed by the law to the state budget.

The foreign citizen must register at the tax agencies within 15 days from the date of state registration certification of an individual engaged in business activity.

If 10 days past the deadline, he/she must pay a fine in the amount of 10 to 20 times the minimum wage. This is provided for Articles 348, 353 of the Administrative Responsibility Code of the Kyrgyz Republic.

In order to be registered at the state tax inspectorate one must contact the department for registration and inspection of taxpayers of the appropriate state tax inspectorate.

The tax registration procedure should take about 2 days. The registration fee will amount to 80-90 KGS (\$1.35-1.52) (25 KGS is the state duty for registration, 50-60 KGS are paid for forms [0.84-1.01 USD]).

The state tax inspectorate also grants address information for seal and bank account opening.

## 3 Min Social Fund

If there is no social security certificate, one will not be able to register at the State Tax Inspectorate as an individual entrepreneur.

In this case one must contact the Social Fund of the Kyrgyz Republic for registration and issuance of a social security certificate with assigned identification tax number. To do so, visit the Social Fund in the district of registration.

Copies of following documents are required:

- a copy of state registration certificate of an individual engaged in business activity issued by statistics authorities;
- a copy of passport registration page.

The registration fee at the Social Fund and issuance of social security certificate with assigned identification tax number is 25 KGS (\$ 0.42). The certificate is issued within 3 days.

## 4 Seal and stamp

If an individual registers as an individual entrepreneur and does not purchase a patent, he/she should obtain a seal and stamp.

Seal registration is the following step. It's divided into several parts:

- getting a permit for making the seal;
- making the seal;
- registering the seal.

The seal registration procedure is done through the licensing system functioning under the regional departments of internal affairs and the Department of internal affairs of Bishkek. To get a permit for the making of a seal it is necessary to provide the following documents to the authorization system:

- application or a letter addressed to the head of a relevant department of internal affairs;
- registration certificate of an individual engaged in business activity;
- a copy of one's passport;
- two copies of the seal and stamp design;
- address reference from the state tax inspection for issuance of a permit for seal and stamp.
- Documents must be filed with an inventory made.

One's application is considered by the head of the department of internal affairs within 3-10 work days. When permit is issued one may start making a seal. It can be done within the licensing system or by applying to any firm engaged in this activity.

A seal has to be round with assigned requisites. It should contain following information:

- 1. Family name, first name and patronymic of an individual entrepreneur;
- 2. Individual taxpayer number;
- 3. "The Kyrgyz Republic" sign, locality of registration in Kyrgyz and Russian;
- 4. "Private entrepreneur" sign.

Costs for making a seal will depend on production terms.

Today it amounts 1000 to 2000 KGS (\$17.6-34.5) In order to receive a final seal and stamp one must bring a passport.



## 5 🗯 Bank account opening

Opening a current account (this step is up to the entrepreneur; if non-cash payments are to be utilized it is necessary to open a current account). Generally, banks in the Kyrgyz Republic do not charge fees for opening a bank account, only for services.



The legal basis of making and doing business:

- The Constitution of the Kyrgyz Republic, Article 42 (June 27th, 2010);
- The Civil Code of the Kyrgyz Republic, part I, as of May 8th, 1996 (with latest amendments of July 12th, 2011);

- The law of the Kyrgyz Republic "On joint-stock companies" as of March 27th, 2003 (with latest amendments of October 5th, 2011);
- The law of the Kyrgyz Republic "On state registration of legal bodies, branches (agencies)" as of February 20th, 2009;
- The law of the Kyrgyz Republic "On banks and banking activity in the Kyrgyz Republic" №60 as of July 29th, 1997;
- The law of the Kyrgyz Republic "On licensing" №12 as of March 3rd, 1997;
- The law of the Kyrgyz Republic "On cooperative societies" as of June 11th, 2004, № 70;
- The law of the Kyrgyz Republic "On farm holdings" as of June 4th, 1999, № 47;
- The law of the Kyrgyz Republic "On economic partnerships and companies" as of November 15th, 1996, №60.

#### **Bishkek Business Club**

Bishkek Business Club is a public organization established in 2002, which brings together business leaders in order to radically improve the business environment and facilitate the establishment of the Kyrgyz Republic as a vibrant and the largest business center of the Central Asian region.

Today the BBC is one of the most proactive business associations, which successfully reflects the views of business leaders at all levels of power and influences economic policy in the Kyrgyz Republic.



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## **3. TAXES AND SOCIAL** INSURANCE CONTRIBUTIONS





PROFIT TAX - SECTION VIII T	C OF THE KR
Payers	Domestic entities, foreign entities operating through a permanent establishment in the KR, sole proprietors, individual and private entrepreneurs, and tax agents (paying income to foreign organizations).
Tax base	<ul> <li>Profit is calculated as a positive difference between the taxpayer's GAI (gross annual income) and expenses, subject to deductions in accordance with the tax law as assessed for the tax period;</li> <li>For foreign organizations that are not conducting their activities through a permanent establishment, the required tax is calculated based on income which is derived from a source located within the Kyrgyz Republic with no deductions.</li> </ul>
Rate	1) 10%; 2) 0% - for the legal entities and individual entrepreneurs engaged in mining gold ore, concentrate, alloy and refined gold; 3) 5% - for leasing companies.
Deadlines for the submission of the profit tax returns and payments	Quarterly advanced payments should be settled not later than the first business day following the 20th day of the month after the tax period; Final due date for payment remittance and filing of the annual tax return is 1st March of the following year.



## SINCOME TAX- SECTION VII TC KR

Payers	Individuals receiving income from the source in the Kyrgyz Republic: citizens of the Kyrgyz Republic; resident non-citizens of the Kyrgyz Republic, resident non-citizens of the Kyrgyz Republic. Tax agents, paying income to individuals. Exemption: a sole proprietor is not a payer of income tax (except when an individual entrepreneur is a tax agent).
Tax base	Income, which is calculated as the difference between the gross annual revenue received by the taxpayer over the tax period and deductions allowed by the tax legislation of the Kyrgyz Republic, but in any event representing not less than the minimum of the estimated income for the tax period annually set by Government of the KR.
Rate	10%
Deadline for tax returns filing	Monthly, no later than the 20th day of the month following the income payment month.
Deadline for tax pay-off	Monthly, no later than the 15th day of the month following the income payment month.

## Se value-added tax -section ix tc kr

· · · · · · · · · · · · · · · · · · ·				
Payers	<ul> <li>All types of legal entities and individual entrepreneurs voluntarily registered or obliged to register for VAT purposes and if during 12 consecutive months, or during a period of less than 12 consecutive months, delivered goods, work, and services with a value exceeding the VAT threshold of 4,000,000 KGS (approximately 82,000 U.S. dollars at the exchange rate for 01/10/2013).</li> <li>Any entity or individual importing goods to the country that are subject to VAT.</li> </ul>			
Tax base	cost of taxable supplies and imports			
Rate	taxable supplies - 12%; taxable import - 12%; export of goods (excluding exports of gold alloy and refined gold) - 0% international transportation (excluding international railway transport services related to international transportation - 0%.			
Deadline for submitting tax information report	Nonthly, no later than the 25th day of the month following the reportin	ng period, excluding large taxpayers.		
Deadline for tax pay-off	Nonthly, no later than the 25th day of the month following the reportir	ng period.		

Excise TAX - SECTION	I X TC KR	
Payers		Any entity selling and manufacturing excisable goods, including goods produced of raw materials provided by customer and returned to that customer, within the territory of the Kyrgyz Republic, and/or importing excisable goods into the territory of the Kyrgyz Republic.
Tax base		In-kind volume; retail price; the customs value; the market price of the goods excluding VAT, sales tax, and excise tax.

## <u>Z</u>e **EXCISE TAX - SECTION X TC KR** Excise taxes on specific excisable goods are defined in Article 287 of the Tax Code of the Kyrgyz Republic. Rate Deadline for submitting Monthly, not later than the 20th day of the month following the reporting month. tax information report Monthly, no later than the 20th day of the month following the reporting period, except for items specified in Article **Deadline for payment** 290, Part 1, subparagraphs 1 and 2 of the Tax Code. For the subscribed excise tax on goods referred to subparagraph 1 - before or on the day for tax pay-off of excise stamps purchase, and on goods determined in subparagraph 2 - before or with the customs declaration submission. SUBSOIL USE TAX - SECTION XI TC KR Domestic organizations, foreign organizations operating through a permanent establishment, sole proprietors and Payers individual entrepreneurs holding mineral deposits mining (extraction) or mineral exploration and development licenses. Bonus One time payment for the right to use subsoil for the exploration and development of mineral deposits. Amount of mineral reserves, including the amount of expected resources in the exploration industry in the period of geological Tax base exploration and development. Rates of bonuses and procedure of calculation are imposed by Government of the KR on all types of minerals on the classification table, Rate depending on the stage of exploration and scale of deposits (See Resolution of Kyrgyz Government, dated June 25, 2009 N 410). Deadline for submitting tax No later than 30 days from the date of receiving the license for subsoil use. information report and tax payment Royalty Recurrent payments for subsoil use for development purpose • revenues (excluding VAT and sales tax), resulted from the sale of minerals or the products derived from the processing of mineral resources; Tax base in-kind volume of products sold; • volume of underground water withdrawn from the subsoil according to the water meter record, with the exception of specialized water supply companies. Rates of royalty are set in accordance with Article 310 TC KR Rate Deadline for filing tax information report and Monthly, before the 20th day of the month following the reporting month payment remittance

## V Local Taxes

Se property tax - section XIII	TC KR
Payers	Organizations and individuals who own taxable property: group 1: Dwellings, not used for business purposes; group 2: Dwellings; boarding houses; resorts; sanatoria; rests homes; and manufacturing, administration, industrial, and other buildings and facilities used for or intended for business purposes; group 3: Temporary facilities made of metal and other materials used in business, such as kiosks, containers, and other similar property; group 4: Transport vehicles.
Tax base	For property falling under groups 1, 2 and 3 - the taxable value of the property is determined in the manner prescribed by the Tax Code of the Kyrgyz Republic; For property falling under group 4 in the form of: a. vehicle driven by an internal combustion engine or not equipped with an internal combustion engine - engine capacity or book value; b. vehicle not equipped with an internal combustion engine and without book value - the value is determined in accordance with the GKR.
Rate	<ul> <li>0.35% - with respect to the property objects of Group 1;</li> <li>0.8% - with respect to the property objects Groups 2 and 3;</li> <li>With respect to the property in Group 4:</li> <li>a. fixed amount of money per 1 cm<sup>3</sup> of engine capacity of the taxable vehicle established by the Tax Code of the Kyrgyz Republic, depending on the type of transport vehicles and length of operation, or 0.5% of the book value of the vehicle - for vehicles powered by internal combustion engines, or having no such engine;</li> <li>b. 0.5% of book value determined in the manner prescribed by the Government of the Kyrgyz Republic - for vehicles not equipped with an internal combustion engine and book value.</li> </ul>
Deadline for filing tax return	Group 1 - monthly by the 20th day of the month following the reporting period. Groups 2 - 3- annually, no later than March 1 of the current year. Group 4 - annually, no later than May 1 of the current year.
Deadline for tax payment remittance	Group 1 - annually, no later than the September 1 of the current year. Groups 2 - 3, quarterly, no later than the 20th day of the third month of the quarter in equal installments over the year. Group 4 - annually, no later than August 20 of current year.
Se LAND TAX - SECTION XIV TC K	R
Payers	The entity who owns the land or holds the right to use land: • the local authority using lands, village pastures belonging to LASF (Local Autonomy Support Fund) and entrusted to its management; • state and municipal user of leased land; • the actual user (including those squatting, i.e. not actually having rights to the land).
Tax base	The area of the land plot: • indicated in certifying documents; • determined on the basis of physical measurement.
Rate	The basic rates are set forth depending on the location and purposes of land plots (see http://www.sti.gov.kg Chapter 49 Tax Code).



## ✓ Taxes for special situations

Along with general taxation TC KR provides special tax regimes for certain categories of taxpayers including the following taxes:



## <u></u> SINGLE TAX BASED SIMPLIFIED TAXATION SYSTEM - CHAPTER 55 TC KR Instead of profit tax and sales tax Single tax Small business entity (legal entity, individual entrepreneur) not a VAT payer and having no more than 30 employees Payers Patent based taxpayers, providers of financial or insurance services, investment funds, professional participants in the Not applicable to: securities market (brokers); payers of excise tax 1) keeping the tax records in accordance with cash basis accounting; Duties 2) using the Fiscal Cash Register when conducting cash operations with the general public Tax base The income gained from the sale of goods, works and services agricultural products processing, production, trade - 4%; Rate • other activities - 6% Deadline for filing tax return and payment of tax Quarterly, no later than the 15th day of the month following the reporting guarter



#### E TAX CONTRACT BASED TAX - CHAPTER 56 TC KR Entity performing an economic activity for the period of at least 3 years or the company carrying out catering activities for more than Payers 3 months, which have signed a contract with the Tax authority on a fixed tax amount for the following calendar year instead of: 1) the income tax, and 2) VAT on supplies, and 3) sales tax. Patent based taxpayers, providers of financial or insurance services, investment funds, professional participants in the securities market Not applicable to: (brokers), payers of excise tax and subsoil use tax, those whose taxes are in arrears, and entities engaged in economic activity for less than 3 years (except caterers who qualify unless they have been operating less than 3 months). The amount of tax liability according to the contract is accepted as follows: - the first year of the contract - not less than 25% of the maximum amount of tax liability for the three preceding years; Rate - the following years - at least 10% of the amount of tax liability for the preceding calendar year. Deadline for filing tax After getting approval from the relevant tax authority, the respective tax organ concludes a contract with the taxpayer within 15 working days from the day following the approval date. return Deadline for tax Monthly, by the first working day following the 15th day of each month in the amount indicated in the contract. payment remittance

## SOCIAL INSURANCE CONTRIBUTIONS

Legal entities and natural persons hiring labor are required to be payers of social contributions. In this case, the em-ployer is liable to pay the insurance contributions from total amount of the wages, and employees from gross remuneration. The relevant state authority regulating insurance payments is the Social Fund of the Kyrgyz Republic.



### SINSURANCE CONTRIBUTIONS

With respect to employee:	<ol> <li>for workers retained to perform permanent or temporary work - 10% of types of payments to them, to the Pension Fund - 8%; to the State Accumulation Pension Fund - 2%;</li> <li>for retiree employee - 8%, to the Pension fund;</li> <li>for hired employees (men born before January 1, 1964, and women born before January 1, 1969) - 10%, to the Pension fund;</li> <li>for hired employees (men born before January 1, 1964, and women born before January 1, 1969) - 10%, to the Pension fund;</li> <li>for disabled employees of the first and second groups (except disabled veterans of World War 2 and persons equated to them ) - monthly 2% of the total amount of all payments to employee, regardless of the source of funding, due to the Pension fund</li> </ol>		
For Individual Entrepreneurs	Monthly at a rate of 9.25% of the average monthly salary: to the Pension Fund -8%; to the Obligatory Health Insurance Fund - 1%; to the Employees Healthcare Fund - 0.25%.		
Deadline for submission tax return and payment of contributions	Monthly, by the 15th day of the month following the reporting period.		
At a rate of 25% of the value of the patent	For natural persons performing individual entrepreneurial activities based on patent.		
At a rate of 30% of the value of the patent	For foreign citizens and individuals without citizenship temporarily residing in the Kyrgyz Republic, performing activities based sole proprietorship.		
	Republic of Kazakhstan, Republic of Belarus, Republic of Ukraine, Republic		



The Kyrgyz Republic, in order to avoid double taxation, has signed agreements with 22 countries on the avoidance of double taxation on income tax: Republic of Kazakhstan, Republic of Belarus, Republic of Ukraine, Republic of Tajikistan, Republic of Uzbekistan, Russian Federation, Canada, Republic of India, Republic of Turkey, Swiss Confederation, People's Republic of China, Republic of Austria, Mongolian National Republic, Republic of Poland, Republic of Finland, Islamic Republic of Iran, Malaysia, Republic of Moldova, Federal Republic of Germany, Islamic Republic of Pakistan, Republic of Latvia, Republic of Lithuania

COST OF DOING

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According to information from the Nattional Tax Committee, it i's expected that to sign the Agreements for the aAvoid-ance of Ddouble Ttaxation will be signed with Georgia, Armenia, Azerbaijan, the Czech Republic and Kuwait.

#### **Baker Tilly Bishkek**

Baker Tilly Bishkek – one of the leading audit firms providing professional services in audit, financial advisory, accounting and taxation. Baker Tilly Bishkek is an independent member of Baker Tilly International, one of the world's leading networks of professional audit firms, that is represented by 154 firms in 133 countries headquartered in London. Today Baker Tilly International is among the top ten in the world ranking of professional services firms.



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## 4. LABOR LEGISLATION



## Basic labor conditions required under legislation of the KR

No more than 8 hours a day or 40 hours a week		
No more than 3 months		
No less than one time a month		
No less than at double rate		
No less than at one and a half rate		
In the amount of at least average monthly wage		
No less than 28 calendar days, paid in the amount of at least average monthly wage. No less than 14 calendar days		
70 calendar days prior to maternity and 56-70 calendar days after maternity with welfare payment by national insurance		



5-day(40-hours) work week	8-hour work day and 7-hour pre-holiday work day		
6-day (40-hours) work week	7-hour work day and 5-hour pre-holiday work day, as well as 6-hour pre-holiday work day (if on Saturday - 4-hours)		
36-hour workweek	6-hour work day and 5-hour pre-holiday work day		
24-hour work week	4-hour work day and 3-hour pre-holiday work day		

## Engagement of foreign labor in the Kyrgyz Republic

Employers have the right to engage and use the foreign labor in KR only upon permit to engage foreign labor.

Provision "On procedure for labor activity in the territory of the KR by foreign citizens and persons without citizenship" approved by Decree of the Government of the Kyrgyz Republic dated September 8, 2006 Nº 639 provides two types of permits:



Legislation of the KR establishes different terms of permits for different categories of the foreign employees. For example, the permit for a foreign qualified employee is issued for a term of no more than two years, for a foreign individual entrepreneur – no more than 3 years, and the permit for a foreign specialist and all other citizens – for 1 year with a right to annual renewal.

## The permits mentioned above are issued on a fee paid basis according to the price list:

Type of activity	Levying periodicity	Price (KGS/ USD)	For citizens of Eurasian Economic Cooperative member-states with whom the Kyrgyz Republic has bilateral or multilateral agreements regarding labor migration granting reciprocal rights(KG soms)
Issuance of permit for foreign labor engagement	Once a year	4 000 (\$68)	4 000 (\$68)
Issuance of a labor permit	Once a year	2 000 (\$34)	1 000 (\$17)
Issuance of a labor permit for persons carrying out individual labor activities	Once a year	20 000 (\$339.5)	1 000 (\$17)
Issuance of a permit for the right to employ the citizens of the Kyrgyz Republic abroad	Once a year	4 000 (\$68)	4 000 (\$68)







## Engagement of staff

Staff recruitment is the core service offered by recruiting agencies. Cost of recruiting agencies' services is 2,000 KG (\$33.9) soms for the review of database and selection of a particular specialist.

#### Average monthly salary in the sphere of labor as of December 31, 2014



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## **5.** LEGISLATION REGARDING SUBSOIL, LAND USE, AND ENVIRONMENTAL PROTECTION



# LEGISLATION ON SUBSOIL USE

Legal document	Regulation
The law of the Kyrgyz Republic "On Subsoil" (August 9th, 2012, N 160)	It determines the order of state legal regulation, the domains of state authorities, local state administrations and local governments, the rights and duties of individuals and legal entities, as well as the penalties for violation of the legislation of the Kyrgyz Republic in the sphere of subsoil use.
The law of the Kyrgyz Republic "On mountainous areas" (November 1st, 2002, N 151)	The law attempts to create a socio-economic and legal framework for the sustainable development of mountainous areas of the republic as well as the conservation and sustainable use of natural resources and of historical, cultural and architectural heritage.
The law of the Kyrgyz Republic "On Production Sharing Agreements in Subsoil Use" (April 10th, 2002, N 49)	The law establishes the legal framework of relations arising in the implementation of domestic and foreign investment in prospecting, exploration and development of mineral deposits on the territory of Kyrgyz Republic on the basis of production sharing agreements.
The law of the Kyrgyz Republic «On Concessions and Concession Enterprises in the Kyrgyz Republic» (March 6, 1992 года, N 850-XII)	Regulates economic, organizational and legal conditions for providing concessions with the goal of development of the economy of the Kyrgyz Republic, as well as the activities of the concession companies in the Kyrgyz Republic.
The law of the Kyrgyz Republic "On Coal" (February 3rd, 1999, N 18)	The law governs relations between government, individuals and legal entities, as well as foreign countries, occurring around production and use of coal on the territory of the Kyrgyz Republic.
The law of the Kyrgyz Republic "On Oil and Gas" (June 8th, 1998, N 77)	The objectives of the law are the establishment of a legal framework in line with international standards to ensure economic efficiency, reliability, and security of operations and activities of the organizations in the oil and gas industry, the protection of consumers and producers, and the creation of favorable conditions for attracting investment in the oil and gas industry for an intensive increase of its production.

The state body in charge of the sphere of subsoil use and development of the mining industry is the State Agency for Geology and Mineral Resources of the Government of the Kyrgyz Republic. This government body is responsible for carrying out state policy in the field of subsoil use and issues licenses for this activity. Licensing is required for all types of subsoil such as the use of mineral resources, fresh water, mineral and thermal groundwater, except for the granting of subsoil use rights under a concession contract and production sharingagreement, as well work performance on the basis of state registration.



The process for obtaining a license, the list of required documents, and licensing procedures are described in detail on the website: www.geology.kg - Licensing - The process of obtaining a license. The cost of public services for the license is paid by all economic entities which are described in detail in "The procedure and the cost of obtaining licenses, permits, patents and trademarks" section.

development of mineral deposits, including man-made;





Subsoil use permits are provided for:

geological surveys;



construction and operation of underground facilities not related to mining (storage of oil,

gas and other substances and materials, disposal of hazardous substances, use of geothermal energy, and other needs);

formation of specially protected objects having scientific, cultural, aesthetic, sanitary, recreational or other value (research and training areas, geological preserves, caves and other underground cavities). Subsoil users are individuals and legal entities of the Kyrgyz Republic and foreign countries.





Legal document	Regulation
The law of the Kyrgyz Republic "On Environmental Protection" (June 16th, 1999, N 53)	It establishes a legal framework of environmental protection, ensures the real use of natural resources, and it is a complex piece of legislation for direct action. In addition, this law governs the relationship between public associations and state authorities, their rights and responsibilities
The law of the Kyrgyz Republic "On ecological expertise" (June 16th, 1999, N 54)	It is aimed at the realization of the constitutional right to a healthy environment by preventing negative consequences occurring as a result of the implementation of economic and other activities; it governs legal relations in the field of environmental impact assessment. In the Kyrgyz Republic there are two types of environmental impact assessments: state environmental examination and public environmental examination.
The law of the Kyrgyz Republic "On Water" (January 14th, 1994, N 1422-XII)	It governs relations in the sphere of water resources (water) use and the protection and prevention of the environmentally damaging effects on water bodies and water facilities from economic and other activities, the improvement of water bodies and facilities condition, and the enforcement of the law in the field of water relations.
The law of the Kyrgyz Republic "On specially protected natural areas" (May 3rd, 2011, N 18)	It regulates relations in the field of organization, protection, and use of specially protected areas for conservation of standard and unique natural complexes and objects, cultural heritage of natural formations, genetic diversity of flora and fauna, and the study of natural processes in the biosphere and monitors changes in its state.
Forest Code of the Kyrgyz Republic (July 8th, 1999, N 66)	It establishes legal basis for the rational use, protection and reproduction of forests, increasing their ecological and resource potential.



Legal document	Regulation	
The law of the Kyrgyz Republic "On Radiation Safety" (June 17th, 1999, N 58)	t defines legal relationships of sources of ionizing radiatio	in the field of radiation security of the population and environmental protection from the harmful effects n, governs interagency and inter-sector collaboration.
The law of the Kyrgyz Republic "On Production and Consumption Waste" (November 13th, 2001, N 89)	negative impact from produce	he field of production and consumption waste and is intended to contribute to the prevention of a ction and consumption waste on the environment and human health when handling them, as well as n economic production as an additional source of raw materials.
The law of the Kyrgyz Republic "On tailings and mining waste dumps" (June 26th, 2001, N 57)	t aims to provide security for waste dumps. Defines the pri	current and future generations of people and their environment when dealing with tailings and mining nciples of state policy in the field of tailings and mining waste dumps.
Technical Regulations "On industrial safety" (November 16, 2013 № 202)		f the technical regulation in the field of industrial safety; aimed at preventing accidents at hazardous are organizations to localize their consequences.
The law of the Kyrgyz Republic "On Fishery" (June 25th, 1997, N 39)	t regulates the legal, econon development and conservatio of the population in fish prod	nic, and organizational basis of fisheries of the Kyrgyz Republic with a view toward the utmost on of fish stocks, increasing the fish production of water bodies and ponds, in order to fully meet the needs ucts.
The law of the Kyrgyz Republic "On Wildlife" (June 17th, 1999, N 59)	t governs relations in the spł	nere of protection and reproduction of wildlife, and it's aimed at the rational use of wildlife.
The law of the Kyrgyz Republic "On the Protection of Flora" (June 20th, 2001, N 53)	t regulates relations in the sp	where of protection and reproduction of flora, and is aimed at the rational use of flora.
The law of the Kyrgyz Republic "On Air Protection" (June 12, 1999, N 51)	The law regulates the relation	ns according use and protection of air.
The law of the Kyrgyz Republic "On the rate of payment for environmental pollution (emissions, discharges of pollutants and waste disposal)" (March 10, 2002, N 32)	Sets the rate of payment for e	environmental pollution (emissions, discharges of pollutants, waste disposal).

The government body responsible for implementing unified policy in the field of environmental protection is the State Agency on Environment Protection and Forestry under the Government of the KR. That body is responsible for the conservation of biodiversity, rational environmental management, and the development of the forestry and hunting sectors while providing environmental security for the government within the frames of its competency.

The state body responsible for supervising the environmental and technical safety is the State Inspection for Environmental and Technical safety under the Government of the KR.



Addresses, phone numbers, and contacts for the relevant agencies mentioned above are specified in the «Useful addresses and contacts" section.

Special use of natural resources is fee based. Charges for nature management consist of fees for the use of natural resources, payments for environmental pollution and other negative impacts on the environment.

The fee for use of natural resources is established for use of natural resources within the specified limits and for the excessive use of natural resources and is paid to the state budget in accordance with established procedures, and is used for activities for environment protection and improvement. The amount of the payment is determined by the type, purpose and scope of the use of flora and fauna based on location, biotic productivity of areas and other environmental factors in accordance with the law of the Kyrgyz Republic "On Fee Rates for the Use of Fauna and Flora in the Kyrgyz Republic" of August 11th, 2008, N 200 Fees are charged for pollution – emissions, discharges of pollutants, waste disposal and other types of pollution that have a negative impact on the nature.

Fees for emissions, discharges of pollutants, waste disposal are transferred by legal entities and individuals indisputably to special accounts of state extra budgetary funds for environmental protection.

Rates and standards of charges for nature management are developed and approved by the Parliament of the Kyrgyz Republic – the Zhogorku Kenesh.

Paying for nature resources does not relieve the user of nature from the implementation of measures for environmental protection, compensation for damages caused by violations of environmental laws, or prosecution for the offense.

Legal document	Regulations
Land Code of the Kyrgyz Republic (Introduced by the law of Kyrgyz Republic as of June 2nd, 1999 , N 46)	It governs land relations in the Kyrgyz Republic, the grounds of the creation, the order of implementation and termination of rights to land and its registration, and aims to create land market relations in state, municipal and private land ownership, and promote the rational land use and its protection.
The law of the Kyrgyz Republic "On agricultural land management" (January 11th, 2001, N 4)	It regulates the legal relationship of agricultural lands management and aims to ensure the effective and safe use of the land for the people.
The law of the Kyrgyz Republic "On transfer (transformation) of land" (July 15th, 2013, N 145)	It defines the legal basis, conditions and the procedure of transfer (transformation) of land from one category to another.
The law of the Kyrgyz Republic "On moratorium on transfer (transformation) of irrigated lands to other land categories and types" (July 31, 2009, N 257)	The law which imposed a moratorium on the transfer (transformation) of irrigated lands to other land categories or types. It is aimed to ensure food security and to protect the most valuable agricultural lands in the Kyrgyz Republic.
The law of the Kyrgyz Republic "On Cartography and Geodesy» (March 20, 2002, N 43)	Establishes the legal framework of activities in the field of geodesy and cartography; and aims to create conditions to meet the needs of the state, citizens and legal entities in the cartographic production, as well as conditions for the operation and interaction inside government bodies of the Kyrgyz Republic in the field of geodesy and cartography.



The State Registration Service of the Government of the Kyrgyz Republic is a state executive authority which provides functions for the implementation of state policy in the area of rights on property (and land relations connected with it) within the powers granted to it. The Department for Cadastre and Registration of Rights on Property is a subdivision of the State Registration Service of the Government of the Kyrgyz Republic which maintains the land cadastre, cadastre mapping, registration of rights on property and provides state protection for the rights to real estate (Contact details of both state agencies are specified in the "Useful contacts and addresses" section).

Land use in the Kyrgyz Republic is paid by all legal entities and individuals. Tax must be paid in accordance with the tax legislation of the Kyrgyz Republic (See "Taxes and social insurance contributions - Land Tax" section).

Land charges are paid in the form of rent for land, except for pastures. Rental fees for land and its payment are established for the land user who has received the right to use the land under a lease, except for pastures, according to the contract.

## The cost of public services provided at registration of land management files and issue of legal documents for land

Se Title	Time rate, person/ hour	Price, KGS	USD
Application and documents receiptb	0.33	17.03	0.3
Visit of a specialist to the place of fieldwork	1.5	77.44	1.31
Drafting work orders	0.16	8.25	0.14
Selection of archive files	0.16	8.25	0.14
Drawing up an act of matching land boundaries	0.5	25.80	0.43
Adding information to the real estate database	0.16	8.25	0.14
Archive files reception	0.08	4.12	0.06
Documents issue	0.08	4.12	0.06
Drawing up an act on land allocation for individual apartment house	1.0	51.60	0.9



Cost of services provided to land users by territorial authorities of Department for cadastre and registration of rights on property of the State Registration Service under the Government of the Kyrgyz Republic is specified on the website: www.gosreg.kg - "Information on provided public services - Prices for work performed by the territorial authorities of Department for cadastre and registration of rights on property".

## 6. LICENSES AND PERMITS. PATENTS AND TRADEMARKS



### LICENSES

Licensing and permitting of activities in the Kyrgyz Republic is regulated by a new law of the Kyrgyz Republic "On Licensing System in the Kyrgyz Republic" passed by the parliament – the Zhogorku Kenesh – on October 3rd, 2013, and by the Regulation on the licensing of certain types of entrepreneurial activities approved by the Kyrgyz Government resolution on March 19th, 2009, № 260.

The list of licenses and permits has been reduced from 236 to 101 types, and licensing will be limited to those areas of business that have the potential need of state regulation.



### DOCUMENTS FILED FOR LICENSE AND PERMIT



A list of types of activities subject to licensing and permitting can be found in articles 15, 16, 17 of the Law of the Kyrgyz Republic " On the Licensing System in the Kyrgyz Republic".



### Costs and period of license and permit issuance



#### PATENTS AND TRADEMARKS

(R) Amounts of fee for copyright, patent and trademark granting

Types of fee	Fee KGS (USD)
For the registration of the object of copyright or neighboring rights:	
<ul> <li>Application and verification of application materials</li> </ul>	600 (10.1)
<ul> <li>Addition to the state registry</li> </ul>	600 (10.1)
<ul> <li>Changes and additions to the state registry</li> </ul>	300 (5.09)
For the issuance of the certificate of registration of the copyright or related rights:	
<ul> <li>for the issuance of the original certificate of registration of the copyright or related rights</li> </ul>	800 (13.5)
<ul> <li>for the issuance of a duplicate certificate of registration of the copyright or related rights</li> </ul>	800 (13.5)
For the registration of copyright and contract amendments, additions to the State Register:	
• for one product	600 (10.1)
<ul> <li>for more than one product</li> </ul>	+100 (1.69)
For publication of information about registered objects in the official bulletin	300 (5.09)

## Fees for copyright, patent and trademark granting

Types of fee	Fee KGS	Fee USD
Application for patent issue with formal expertise:		
one invention	50	0.84
a group of inventions, for each invention in excess of one	+20	+ 0.33
Application for patent issue with formal expertise:		
↗ one utility model	20	0.33
a group of utility models, for each model in excess of one	+10	+0.17
Trademarks and service marks		
Application for patent issue with formal expertise:		
one invention	55	1.2
a group of inventions, for each invention in excess of one	+20	+ 0.33
Appellations of origin		
Application for registration and the right to use an appellation of origin; as well as applications for the right to use already registered appellation of origin (hereinafter - application for an appellation of origin) and the preliminary examination)	150	2.54
Trade names		
Application for a trade name registration and expertise, including:	440	7.5
applying for trade name registration	100	1.7
for trade name expertise	340	5.8

# 7. CERTIFICATION AND INSPECTION



### PROCEDURES AND COSTS TO OBTAIN A DOCUMENT OF CONFORMITY

A mark of conformity is obtained in order to certify conformity to technical rules or standards, a set of rules, or terms of an agreement on objects with technical regulations in order to create conditions for the free handling of goods in the Kyrgyz Republic, as well as involvement in international economic, scientific and technical cooperation and international trade.<sup>1</sup>

Confirmation of compliance of the products is completed using the following forms: adoption of declaration on conformity and conformity certification.(A document confirming the conformity of the products to established [usually by state standard (GOST) or other technical regulations] security requirements for a set of products – including functional properties and quality standards).

The object of mandatory conformity can be only products (goods, equipment, etc.) that enters the circulation in the territory of the Kyrgyz Republic, and only in relation to the requirements of technical regulations.

A declaration of conformity of the products is carried out by the manufacturer through the adoption of a declaration on the basis of their own evidence and/or on the basis of evidence obtained from a third party (certified testing laboratory).

The Declaration of Conformity (document) provides certification by the manufacturer (supplier) that the goods produced meet the requirements of the technical regulations and are accepted in respect to a particular type of food or a group of similar types of goods produced by one manufacturer and declared according to the security requirements of this Technical Regulation. A Conformity Certificate is a document proving that the products or processes of design (including research), manufacturing, construction, installation, adjustment, storage, transportation, sale, exploitation, utilization, performance, and service meet the requirements of the technical regulations, standards, set of rules, or terms of agreement.

### PROCEDURE (RULES) FOR CERTIFICATION OF CONFORMITY OF THE PRODUCTS, ITS COST, AND TERMS



Covers the cost of certification including testing and inspection controls approved in the established order according to the price list\*

\*NOTE: The Centre for Standardization and Metrology published a booklet on the cost of certification works specified in the "Price list for product certification" and "Price list for product testing", they also have a scheme for the declaration of goods.



Confirmation of conformity in the Kyrgyz Republicsis conducted by the Center for Standardization and Metrology under Ministry of Economy of Kyrgyz Republic, hereinafter referred to as "CSM ", which has branches in all regional centers .

Territorial subdivisions of CSM perform their functions regarding the conformity of products and services and product testing in certified testing laboratories. The Kyrgyz Government Resoltion approved on December 30th, 2005, N 639 which provides a detailed list of products subject to mandatory conformity confirmation; it discloses detailed information about types of goods which mus tobtain a certificate of conformity.

## V COST AND PROCEDURE FOR OBTAINING CERTIFICATE OF ORIGIN

Description of the main stages to obtain certificates of origin in the Chamber of Commerce and Industry of Kyrgyz Republic (CCI)



	Option 2			
Actions	Stage 1	Stage 2	Stage 3	Stage 4
Completion form (data, document, organizational and administrative decision)	Reception of the application and supporting documents, check of completeness of submitted documents. Application registered in the journal.	Determination of the country of origin during production site survey. Drawing up the examination report for the outgoing shipment or for a specified period of a category of goods.	Certificate is printed out. Applicant receives a designed certificate of origin (or denial) from the authorized official, signs the third copy of the certificate on its receipt.	Invoice registration receive a cash receipt and the first copy of invoice Payment
Terms	5-10 minutes	1-2 days	5-10 minutes	5-10 minutes



The function of registering, certifying, and issuing certificates of origin by the CCI of the Kyrgyz Republic is performed, in accordance with the law of the Kyrgyz Republic «On the Chamber of Commerce and Industry of the Kyrgyz Republic». Attestation of certificates of origin of goods is charged in accordance with tariffs set by the Bureau of the Chamber as of August 5th, 2011, N 14.

Departments of experts of the CCI of the Kyrgyz Republic: Department "Kyrgyz expertise" in Bishkek, "Southern Department of the CCI of the Kyrgyz Republic" in Osh, and its representatives in all the regions conduct examination sat the behest of Kyrgyz and foreign legal entities as well as individuals in order to verify the conformity of a consignment received under a contract (agreement) as to the quantity, completeness, packaging and labeling, pre-shipment inspections of quality and quantity of goods, clarifying characteristics of the product, and defining HS code, etc.

	Services	Price (excluding taxes VAT - 12%, Sales tax - 2%)
	Certificate of origin for all economic entities except those supplying fruit and vegetables for export and full members of the Chamber of Commerce and Industry of the Kyrgyz Republic	1200 KGS. (\$ 20.37)
Kyrgyz expertise	Certificate of origin for all economic entities – full members of the Chamber of Commerce and Industry of the Kyrgyz Republic	960 KGS (\$16.2) A preferential tariff is set for certificate issue in the amount of double the annual membership fees with a uniform discount on each one certificate of 20%
	Certificate of origin for traders exporting fruit and vegetables	500 KGS (\$8.48)
Contractual expertise	Payment for one expert per hour during the examination of goods	450 KGS (\$7.6)

### **OBLIGATORY AND VOLUNTARY CERTIFICATION**

Certification types:

#### Voluntary certification

Voluntary certification is carried out in cases when close adherence to existing standards or other regulatory documents on products, processes or services are not provided by the state, i.e. when standards or regulations do not concern security requirements and are voluntary for producers.

 Demand for voluntary certification appears with the development of the free market relationship.
 Manufacturer wants to receive independent confirmation of the quality and other benefits to the buyer and therefore passes through voluntary certification. **Obligatory certification** 

Obligatory certification is to confirm the conformity of the product with mandatory requirements established in the existing legal documents and (or) standards of Kyrgyz Republic (hereinafter - the mandatory requirements), in order to ensure the safety and protection of human life and healt has well as the environment.

• The mandatory requirements are specified in the list of products subject to obligatory conformity confirmation (see Resolution of the Government of Kyrgyz Republic approved on December 30th, 2005 N 639).

## In addition, if an entrepreneur intends to import / export certain products, he/she must obtain the following types of certificates:

State Inspection for veterinary and phytosanitary security of the Government of Kyrgyz Republic issues the following certificates:

Phytosanitary certificate	<ul> <li>Validity of a phytosanitary certificate issued for</li> <li>products quarantined outside the country - 15 days from the date of issue;</li> <li>inland freight - 7 days.</li> </ul>
Veterinary certificate	A one-time document being one of the grounds for the customs clearance of goods under control. This certificate is issued by experts of specific subdivisions of regional services of State Inspection for Veterinary and Phytosanitary security under the Government of Kyrgyz Republic at places of registration of cargo after the veterinary and sanitary examination. Time for issue — up to 30 days.*

## Department of Disease Prevention and State Sanitary and Epidemiological Surveillance of the Ministry of Health of Kyrgyz Republic issues the following certificate:

Sanitary-Epidemiological Certificate

A sanitary-epidemiological expert establishes compliance or noncompliance of a product with state sanitary-epidemiological rules and norms. The list of products is approved by the Government of the Kyrgyz Republic. A sanitary-epidemiological certificate in established form is issued based on examination results, and is put into the Register of sanitary-epidemiological certificates.

<sup>&</sup>lt;sup>1</sup> Rules for the organization of work for the phytosanitary documents issued for import and export of quarantinable products approved by the Kyrgyz Government Resolution as of May 30th, 2008, N 251.

<sup>&</sup>lt;sup>2</sup>Regulations on the order of sanitary-epidemiological expertise of products in terms of safety for human health (approved by the Governmental Decree of June 6, 2003 N 329)



Laboratory tests are conducted to detect genetically modified ingredients in food. Chief state sanitary inspectors and their deputies have the right to sign certificates for products examined for conformity or nonconformity with the state sanitary-epidemiological rules and standards.

Department of Drug Supply and Medical equipment of the Ministry of Health of Kyrgyz Republic issues

For medicine registration an applicant must submit a letter of intent to the Department of Drug Supply and Medical Equipment of the Ministry of Health of Kyrgyz Republic regarding their desire to register the medicine in Kyrgyz Republic and an application (in duplicate for each item).

Medicine import permission

• Period of the registration procedure is six months (it does not include the time in which the manufacturer responds to requests). Upon receiving a positive result the company-manufacturer is issued registration certificate valid for 5 years.

Fees for the Standardization and Certification from ministries and agencies (laboratory examination from certain authorities)

Standardization and certification authorities	Issued document	Time	Service cost
	Sanitary - Epidemiological Certificate	From 3 hours to 15 days	44 to 6485 KGS (\$ 0.74 – 110.10)
Department of State Sanitary and Epidemiological Surveillance, the Ministry of Health of the Kyrgyz Republic	Laboratory testing and examination	1 -15 days	765 KGS – quality test (\$12.9) 1219 KGS – quantity test (\$20.69)
State Inspectorate for veterinary and phytosanitary security under the Government of the Kyrgyz Republic	Veterinary certificate	1-30 days	12.30 KGS per form (\$0.20)
	Phytosanitary certificate		
Department of Drug Supply and Medical Equipment, the Ministry of Health of the Kyrgyz Republic	Medicine import permission	6 month min.	Registration of foreign medicine costs \$1500 (88350 KGS)
			Additionally, for each dosage, form and packaging 29 450 KGS (\$500)





Standardization and certification authorities	Issued document	Time	Service cost
Department of Drug Supply and Medical		6 month min.	PRegistration of medicine of domestic manufacture \$150 (8835 KGS)
Equipment, the Ministry of Health of the Kyrgyz Republic	Medicine import permission		Additionally, for each dosage, form and packaging \$50 (2945 KGS)
State Center for variety testing and plant genetic	Laboratory for quality assessment of variety tests: Conducts a qualitative assessment of varieties tested including assessment of baking qualities; protein and starch in corn, grain, and barley; defining oil content; brewing qualities of barley; defining essential nutrients in the varieties and hybrids of fruit and vegetable crops; defining probable yield of sugar at factories in varieties and hybrids of sugar beets; etc.	7-28 days	300-428 KGS- purity test (\$5.09-7.26)
resources the Ministry of Agriculture and Land Reclamation of the Kyrgyz Republic		2 days – express test	Full test 800-1000 KGS (\$ 13.5 – 16.97)
Center of grain expertise of the Ministry of Agriculture of the Kyrgyz Republic	Examination and monitoring the quality of grain and its products (flour, bran, waste), arriving at grain collecting enterprises and other economic entities regardless of ownership, for correctly inspecting quality indicators.	1 day	0 KGS
Center for Standardization and Metrology, the Ministry of Economy of the Kyrgyz Republic	Laboratory for consumer goods.	1-14 days	400 - 4000 KGS
	Laboratory for engineering.	1 TH days	400 - 4000 KGS (\$ 6.79 – 67.9)



Addresses, contacts, and websites of authorities performing the functions of certification and confirmation of origin and quality of goods, represented by the Center for Standardization and Metrology of the Ministry of Economy of the Kyrgyz Republic and the Department «Kyrgyz expertise" at the Chamber of Commerce and Industry of the Kyrgyz Republic, are specified in «Useful addresses and contacts" section.

# **8. EXTERNAL TRADE**



### **EXPORT AND IMPORT, PRIORITIES AND MAIN POSITIONS**

The Kyrgyz Republic holds mutual, rather liberal trade policies with near and distant foreign countries which is free of private monopolies and free of state enterprises monopolies which have exclusive rights that could affect the freedom of trade.

	Membership	Objectives
World Trade Organization (WTO)	The Kyrgyz Republic joined the WTO on December 20th, 1998. The Kyrgyz Republic grants most favored nation's treatment to 148 countries in the WTO.	The main goal of the WTO as an international open organization is the liberalization of international trade and regulation related to political trade relations of member- states
Eurasian Economic Community	The Kyrgyz Republic has started the procedure of entering by announcing its intention to join the Customs Union on April 11th, 2011. The Government of the Kyrgyz Republic filed an application to enter Customs Union on May 29th, 2013. The President of the Kyrgyz Republic signed the Memorandum on deepening cooperation to join Customs Union on May 31st, 2013. Thus, the Kyrgyz Republic has confirmed its intention to integrate into Eurasian Economic Area, which must start by January 1st, 2015.	Customs Union in the frame of Eurasian Economic Community is a formal economic trade integration of Belarus, Kazakhstan and Russia, providing a common customs territory within which customs duties and economic restrictions do not apply to the mutual trade of goods except for special protective, anti-dumping, and countervailing measures. Member-states share a common customs tariff and other common measures for trade with third-party countries.
Free Trade Area of the Commonwealth of Independent States	The Kyrgyz Republic signed the Agreement for a Free Trade Area of the Commonwealth of Independent States on October 18th, 2011.	<ul> <li>Main goals of Free Trade Area are:</li> <li>1. Liberalization of conditions and further development of mutual trade, abolition of existing restrictions and exemption from free trade regime, including ones concerning import of raw materials and export of end- products, in order to ensure free access to goods of domestic manufacturers to markets of CIS member-states.</li> <li>2. Development of a coherent plan regarding the use of energy resources and transport services, development of common markets for certain types of products, especially agricultural.</li> <li>3. Development of cooperation in the field of transportation, including the formation of a network of international transport corridors in the CIS space.</li> <li>4. Improvement of the efficiency of the tariff policy and the elimination of the influence of national fiscal and administrative barriers on international freight.</li> </ul>



Countries with liberal trade regimes with the Kyrgyz Republic

The Kyrgyz Republic has entered an agreement on the creation of free trade zones with the countries:



The Kyrgyz Republic has signed an agreement granting most favored nation treatment with countries:



### Foreign trade of The Kyrgyz Republic with the CIS and non-CIS countries (mln. \$)

Title	2013	2014 (10 months)
Foreign trade turnover	7993.8	5809.1
<ul><li>with CIS countries</li><li>Others</li></ul>	3954.6 4039.2	2858.5 2950.6
Export	2006.8	1264.7
CIS countries	1010.8	564.9
Others	996	699.8
Import	5987	4544.4
CIS countries	2943.8	2293.6
Others	3043.2	2250.8
Balance	-3980.1	-3279.7
CIS countries	-1933	-1728.7
↗ Others	-2047.1	-1551

### V Major groups of exported goods

#### Major exporting countries





In compliance with Regulations on the rules and procedures of mandatory product certification approved by the Government Resolution of the Kyrgyz Republic as of December 30th, 2005, N 63, a certificate of origin, or declaration of origin, must be filed with the customs declaration and other documents for customs registration of goods imported to the Kyrgyz Republic.

# **9. FREE ECONOMIC ZONES**



Free economic zones in the Kyrgyz Republic are focused on foreign economic activity and attracting investment for the development of innovative products and the export of goods. The basic law regulating the activity of free economic zones in the Kyrgyz Republic is the law of the Kyrgyz Republic "On free economic zones in the Kyrgyz Republic", approved by the Kyrgyz Parliament on December 11th, 2013.

### THE REGISTRATION OF ENTERPRISES WITH FOREIGN INVESTMENT IN FREE ECONOMIC ZONES



Special legal regimes established in free economic zones are given privileges in the field of foreign trade and economic activity. These advantages are to provide favorable conditions for attracting foreign capital, technologies, and management experience; the development of the economic potential of the territory based on integral capital; and the funding of domestic enterprises and organizations with public and private property.

## > FREE ECONOMIC ZONES





+ Advantages	- Restrictions
Partial exemption from certain taxes, duties, fees and charges for the entire period of activity in free economic zones.	Petroleum products, liquor and tobacco products that are to be sold in the territory of free economic zones to individuals and legal entities that are not subjects of free economic zones.
Deductions in the amount of 0.1-2% of the revenues from the sale of goods and services are paid to the General Directorate of free economic zone for tax and other benefits within the free economic zone.	Goods produced in free economic zones that are to be sold on the domestic market of the Kyrgyz Republic, if the added value of goods in the territory of free economic zones is less than 30% and less than 15% - for household appliances and electronics.
Exported goods produced in free economic zones, imported goods, as well as goods for re-export are fully exempt from customs duties.	
Exported goods produced in the territory of free economic zones are exempt from licensing and quota allocations (except for export to the customs territoryof the Kyrgyz Republic, the amount of which shall not exceed 30% of total production in the free economic zones during a year); Exported goods produced in the territory of free economic zones are exempt from licensing and quota allocations (except for export to the customs territory of the Kyrgyz Republic, the amount of which shall not exceed 30% of total production in the free economic zones during a year).	
Safe passage of foreign workers.	
Simplified and accelerated process for registering an economic entity.	
Simplified customs procedures.	
Direct access to major infrastructure, including telecommunications, water, electricity and transportation, in the conduct of activities in the territory of free economic zones.	

Today, there are 5 free economic zones in the Kyrgyz Republic: "Bishkek", "Maimak", "Naryn", "Karakol" and "Leilek." Free economic zones of the republic have attracted investors from more than 30 countries; they created 234 companies and joint ventures that operate in the field of trade, food, and light industry, production of building materials and furniture, and tourism.

### V Information on the characteristics and activities of free economic zones in the Kyrgyz Republic

Title	Characteristics	Activities
Free economic zone "Bishkek"	This free economic zone has its own customs and other services and has an extraterritorial status. The enterprises conduct the following activities: assembling computers, furniture, and plastic windows and doors; production of building bricks, boiler units, garment and genuine leather works, plastic containers, confectionery, tea, beer, and other types of goods.	<ul> <li>External direct investment is amounted to 34.6 million U.S. dollars.</li> <li>Share in the national volume of investments was 11.0%.</li> <li>Share in the total investments of free economic zones of the country - 76.9%.</li> <li>The number of employees in these enterprises – 2,814 people.</li> <li>Currently, there are 412 registered enterprises in the free economic zone "Bishkek", 195 of them are created mainly with foreign investments, i.e. 96.0% of the total number of registered entities is joint ventures, or enterprises with the participation of foreign investors from 25 countries.</li> </ul>
Free economic zone "Maymak"	At the moment industrial activity is not conducted.	There are a total of 9 registered economic entities.
Free economic zone "Naryn"	Its enterprises produce flour, canned meat and vegetables, mineral water, plastic packaging, confectionery, concentrates of precious metals, etc. The major export is cattle hides, wool, and canned meat. Products are exported mainly to China.	<ul> <li>There are 54 registered enterprises, 19 of them operate in different economic sectors.</li> <li>Import amounted to 3.6 million U.S. dollars, which is 4 times higher than the volume of export. The main trading partners for imports are China and the Russian Federation.</li> <li>During its activity, free economic zone "Naryn" has attracted direct investment worth 5.8 million U.S. dollars, 60% of investment has come from China.</li> <li>Basically, investment comes in the form of equipment for the production and management of exploration and prospecting.</li> </ul>

Title	Characteristics	Activities
Free economic zone "Karakol"	Currently, 13 economic entities in the free economic zone are engaged in industrial production. The main types of industrial products are garments, flour, herbs, mineral water, canned fruits and berries, bakery and confectionery products, packing materials, and millwork.	Export of goods to foreign countries has made 100 thousand U.S. dollars. The following types of products have been exported: cattle hides, washed wool, herbs. Goods are mainly exported to China and the Russian Federation. The domestic market is supplied by equipment, consumer goods, metal wastes amounting 217 thousand U.S. dollars. The number of employees in the enterprises - 780 people.
Free economic zone "Leylek"	Currently FEZ "Leylek" has no registered address, and does not perform any productive activities.	



Addresses, contacts, and the official websites of free economic zones of the Kyrgyz Republic are given in the "Useful addresses and contacts" section.



## **10. LOGISTICS** AND CARGO TRANSPORTATION



The scope and structure of cargo transportation for all common types of transportation in the Kyrgyz Republic



The total volume of goods moved by all carrier types in 2013 reached about 2,300 million kilometers. Within that, the weight of cargo transported by each specific means was:

Automobile	55.2 %
Train	33.5%
Pipeline	6.2%
Air	4.11%

### **EXISTING INTERNATIONAL TRANSPORT CORRIDORS**

At this time, Afghanistan, United Arab Emirates, India, People's Republic of China, Mongolia and Iran are important routes for cargo transportation. To this end, the importance of the following transport corridors is increasing:

Nº	Main route	Distance (km)
Northern №1	Torugart – Ak-Beyit – Kara-Bulun – HPP (hydroelectric power plant) At-Bashy – along Naryn river – Kok-Art –Dzhalal-Abad	430
Northern №2	Torugart – Arpa – along the Fergana range – Kok-Art – Dzhalal-Abad	245
Southern №1	Torugart – Tuzbel – Arpa – along the northern bank of Yassy river – Uzgen – Kara- Suu	271
Southern №2	Torugart – Tuzbel – Arpa – along the southern bank of Yassy river – Uzgen – Kara- Suu	259





Cargo transportation from the Republic of Kazakhstan to the Kyrgyz Republic is handled through railroad crossing points: :

• Lugovaya station (Republic of Kazakhstan)

• Kara-Balta (Kyrgyz Republic) – Bishkek – Balykchy

Almaty – Osh (border-crossing point – Sary-Agach station export – Bekabad export – Suvonobad export – Savay export)

**Optimum transport routes for export** 

from Kazakhstan to Kyrgyzstan:

#### Main directions for cargo transportation are Kazakhstan, Russia, Turkey, China and EU-countries.

Cargo truck transportation is handled through the following checkpoints:	International routes going through territory of Kyrgyzstan:
<ul> <li>Korday (Kazakhstan);</li> <li>Akzhol (Kyrgyzstan) and Ak-Tilek;</li> <li>Adjacent to major checkpoints of Korday, Kazakhstan (old name Georgievka);</li> <li>Karasuu.</li> </ul>	<ul> <li>Bishkek - Naryn - Torugart - the border with China;</li> <li>Bishkek - Almaty;</li> <li>Osh - Sary Tash - Irkeshtam - the border with China;</li> <li>The border with Tajikistan - Karamyk - Sary Tash - Irkeshtam - the border with China;</li> <li>Bishkek - Osh - Andizhan;</li> <li>Bishkek - Chaldovar - the border with Kazakhstan;</li> <li>Suusamyr - Talas - Taraz;</li> <li>Osh - Isfana - the border with Tajikistan;</li> <li>Balykchy - Cholpon-Ata - Tyup - Kegen - the border with Kazakhstan.</li> </ul>

#### INTERNATIONAL TRANSPORT CORRIDORS TO THE SEA:



CAREC (Central Asian Regional Economic Cooperation) 6 includes three routes going to Europe, the Russian Federation, and seaports. The route consists of 10600 km of highway, 7200 km of railway.

Karachi
 Gwadar

Bandar Abbas

## 11. CLOSURE OF AN ENTERPRISE (PROCEDURE AND COSTS)

#### ACCORDING TO THE LEGISLATION OF THE KYRGYZ REPUBLIC A LEGAL BODY MAY BE LIQUIDATED AND CLOSED:



### THE PROCEDURE OF VOLUNTARY CLOSURE

V Steps to be undertaken in closing an enterprise:

Make a decision on liquidation (closure)	First of all, the body authorized under the law or the chartering documents (for example, a general meeting of the members of an LLC or sole member) makes a decision on liquidation. This decision must also include the appointment and the composition of the liquidation committee as well as determine the order and period of liquidation.		
Notify the judicial authorities of the decision made	A legal entity is obliged to notify in writing the Ministry of Justice within 3 working days after the date of the decision on termination and liquidation of the business. A registration termination notice shall include a copy of the decision on liquidation by legal body of the court and the appointment of a liquidation committee.		



Notify the tax authorities of decision made	A taxpayer making a decision to terminate activity is required to submit an application for cancellation of tax registration of a legal body/individual, hand over the final tax reports and remaining invoices for value added tax (VAT) (if it had been registered for VAT) to the tax authority at the place of tax registration or account registration within 30 days from the date of making the decision. Tax authorities conduct an onsite tax audit checking the accuracy of the calculations, the timeliness of tax payments and other obligatory budget payments. If there is any debt, the taxpayer has to discharge all debts to the budget. In reality, the audit takes 10-30 days.
Prepare liquidation balance sheet	After final accounts with creditors the liquidation committee prepares a liquidation balance sheet which is approved by the owner of the property of the legal entity, or by the authority that made the decision to liquidate the legal entity.
Close bank accounts	Bank accounts are closed at any time by the application of a client. The order is prescribed by the law "On banking system of the Kyrgyz Republic" and bank regulations. But the reference affirming the closure of all accounts must be received from all registered and existing banks in the Kyrgyz Republic (23 banks at the present time).
Seal and stamp liquidation	The official seal and stamp are handed over at the territorial internal affairs department with the remark on the application to internal affairs authorities.





The Ministry of Justice would process the application for enterprise closure within 7 working days.



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Register fee will amount 192 KGS (about \$ 3.25).



More information on registration of legal body is available on the Ministry of Justice's website: http://minjust.gov.kg/?page\_id=1007





#### Tax service

Filed application for the enterprise closure (considered within 30 working days; no fee)

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#### Social Fund

The reference is given within one working day; no expense required.



#### Banks

Application with request for reference demonstrating the absence of debts (it is typically done within one working day, the fee is set by banks)



#### **Internal Affairs Body**

Seal and stamp are handed over to the territorial authority of internal affairs body, in order to receive a reference.(issued on-site, no fee)



#### **Central Archives**

It's necessary to submit certain documents (which are considered within 2 working days; fee - up to 600 KGS (\$ 10.1)

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#### The Ministry of Justice of the Kyrgyz Republic

All documents must be filed to the Ministry of Justice locations for processing application with a subsequent issuing of a copy of the order on the legal entity's discritinuation.



The last stage is to receive a copy of the order on registration of the legal entity's discontinuation. This document certifies that legal body is excluded from the State Register and has terminated its activity.

## **12.** JUDICIAL SYSTEM OF THE KYRGYZ REPUBLIC



## **IIII** Supreme and local courts' powers in the Kyrgyz Republic

Authorities	Definition	Powers
The Supreme Court	The Supreme Court is the highest judicial body for civil, criminal, economic, dministrative, and other issues. The Constitutional Chamber acts as part of the Supreme Court. (Enactment 12, the law "On the Supreme Court and local courts")	<ul> <li>The Supreme Court:</li> <li>a) oversees local courts' activity through reconsideration of judicial acts in case of process participants' complaints.</li> <li>b) revises (considers) law suits and materials in the exercise of its supervisory functions;</li> <li>c) reconsiders court cases if there is newly discovered evidence;</li> <li>d) studies and summarizes jurisprudence and maintains legal statistics;</li> <li>e) exercises other powers granted by the law of the Kyrgyz Republic, except for the powers which are granted to the Constitutional Chamber. (Art. 14, the law of the Kyrgyz Republic "On the Supreme Court and local courts")</li> </ul>
The Constitutional Chamber of the Supreme Court of the Kyrgyz Republic	the highest judicial body independently exercising constitutional control through constitutional procedure.	The Constitutional Chamber: 1) declares laws and other regulatory legal acts unconstitutional if they contradict the Constitution; 2) gives counsel regarding the validity of international treaties that have not entered into force in the Kyrgyz Republic; 3) gives counsel regarding draft laws on amendments to the Constitution.
Local courts system	<ol> <li>Local court system consists of:</li> <li>court of primary jurisdiction;</li> <li>court of appellate jurisdiction.</li> </ol>	
Primary Level Court	District court, city district court, municipal court, inter-district court, district court-martial	<ul> <li>Primary level courts:</li> <li>1) consider civil, criminal, economic, administrative suits, cases of administrative offense, and other issues;</li> <li>2) reconsider judicial acts adopted by the court that entered into legal force if there is newly discovered evidence;</li> <li>3) render judicial acts entered into legal force;</li> <li>4) conduct clerical work and legal statistics, study and summarize jurisprudence, maintain records of legal suits and trial terms, and store legal cases and materials;</li> <li>5) exercise other powers under the Kyrgyz Republic's legislation.</li> <li>6) judges preside at the primary level courts, but in the cases and manner prescribed by the law of the Kyrgyz Republic citizens of the Kyrgyz Republic are entitled to participate in delivering justice. (Art. 33, the law of the Kyrgyz Republic "On the Supreme Court and local courts").</li> </ul>
Secondary Level Courts	Regional court, Bishkek city court, Military court of the Kyrgyz Republic	<ul> <li>Secondary level courts:</li> <li>1) reconsider the decisions of the primary jurisdiction court which have not entered into legal force before the appeal hearing;</li> <li>2) reconsider the decisions of the primary jurisdiction court which have entered into legal force in cassation;</li> <li>3) conduct clerical work and legal statistics, study and summarize jurisprudence, maintain records of legal suits and trial terms, and store judicial materials;</li> <li>4) exercise other powers under the Kyrgyz Republic's legislation. (Enactment 28, the law "On the Supreme Court and local courts").</li> </ul>



July 30th,2002	The law "On additional arbitrators in the Kyrgyz Republic" was passed on July 30th, 2002 in Kyrgyzstan, and was renamed into the law of the KR "On court of arbitration in the Kyrgyz Republic" in 2003.
September, 2002	International Court of Arbitration under the Chamber of Commerce and Industry of the Kyrgyz Republic was officially registered by the Ministry of Justice
International Court of Arbitration under the Chamber of Commerce and Industry of the Kyrgyz Republic's mission	Ensuring fair impartial settlement of commercial disputes by arbitration and other alternative methods
An example of an arbitration clause recommended by ICA under the Chamber of Commerce and Industry of the Kyrgyz Republic	"Any dispute, controversy, claim or claims arising out of this contract (agreement), or in connection with, including those relating to its performance, breach, termination, or invalidity thereof, shall be settled by the International Court of Arbitration under the Chamber of Commerce and Industry of the Kyrgyz Republic in accordance with its Regulations (Expedited Regulations) of the International Court of Arbitration under the Chamber of Commerce and Industry of the Kyrgyz Republic by three arbitrators (optional - one arbitrator), who were elected in accordance with the Regulations. The substantive law, in accordance with which dispute is to be settled, is the law of the Kyrgyz Republic (optional – the law of another country). The arbitration proceedings must be conducted in Russian (Parties may provide the language of the arbitration proceedings). The arbitration decision is final."
On the resolutions of the ICA under the Chamber of Commerce and Industry of the Kyrgyz Republic	Article 25 of the law of the Kyrgyz Republic "On courts of arbitration in the Kyrgyz Republic" states: "The arbitration decision is final and may not be appealed. Parties must implement the decision in the manner and terms prescribed in the decision". A similar statute is stated in the accepted regulations of ICA: paragraph 4.4 of the Regulations, approved by the Supervisory Board of ICA under the Chamber of Commerce and Industry of the Kyrgyz Republic, of February 8th, 2007. This legal position is confirmed by the Constitutional Court of the Kyrgyz Republic of February 19th, 2008

## **Consideration of disputes in the Court of Arbitration**



Arbitration Fees
150
150 + 4 % of the amount over 1 000
310 + 3 % of the amount over 5 000
500 + 2 % of the amount over 10 000
1300 + 1,5 % of the amount over 50 000
2050 + 1 % of the amount over 100 000
3050 + 0,9 % of the amount over 200 000
5750 + 0,8 % of the amount over 500 000
9750 + 0,7 % of the amount over 1 000 000
16 750 + 0,6 % of the amount over 2 000 000
34 750 + 0,5 % of the amount over 5 000 000

## **13. BUSINESS SERVICES, DESCRIPTIONS AND FEES**



#### 🧨 Cost of participation in exhibitions and fairs held by the Chamber of Commerce and Industry of the Kyrgyz Republic

Participation for the entire period of the exhibition	For foreig	n citizens	For Kyrgyz citizens	
Participation for the entire period of the exhibition	KGS	USD	KGS	USD
For 1 square meter of equipped exhibition area (an exhibition stand)	9424	160	7657	130
For 1 square meter of unequipped area (an exhibition stand)	6479	110	5301	90
Registration fee	8835	150	7068	120
Additional services		Agreed for each	individual case	

The total number of commercial banks currently operating in Kyrgyzstan is 23. They provide customers with a wide range of services including assistance in the sphere of new enterprise development and implementation of new investment projects. The local payment systems of the commercial banks are combined into a unique national

payment system for bulk clearing and processing all

non-cash transactions in the national currency.

All commercial banks of the country including their 280 branch offices are operating through the specialized participant system – "Interbank processing centre" CJSC ("IBPC" CJSC). Large and medium-sized enterprises can use this system to pay salaries and other payments to their employees.

#### Commercial banks' service charges

Transaction types	Transactions in a national currency	Transactions in US dollars				
Settlement a	Settlement and cash services					
Opening of an account with an application for a unique number for legal entities, individuals, and private entrepreneurs	from 0 - to 500 KG soms	Free-of-charge				
Opening of an account with a unique client number for loan product access	Free-of-charge	Free-of-charge				
Foreign currency cash withdrawal of transferred funds from the account	from 0.2 to 1%	from 0.5% to 1%				
Internation	International trade finance					
Documentary letters of credit.						
Export (depending on transactions made using letters of credit and the sum guaranteed in the letter of credit)	-	0.5 to 2.0% (min. 150 USD/max 1,200 USD)				
Import (depending on transactions made using letters of credit, terms, and the sum guaranteed in the letter of credit)	-	0.75 to 5.0% (min. 150 USD/max 1,200 USD)				
Guarantees (depending on the service under the guarantee, terms, and the guaranteed amount)	-	0.75 to 5.0% (min. 150 USD/max 1,200 USD)				



Transaction types	Transactions in a national currency	Transactions in US dollars			
Corporate customers paym	Corporate customers payment (plastic) cards maintenance				
Visa Business, Master Card Business payment card issuance	Free-of-charge	Free-of-charge			
Annual maintenance of Visa Business or Master Card Business primary card (depending on the card-issuing banks and service line)	-	from \$ 12 to \$ 100			
Annual maintenance of Visa Business or Master Card Business additional card (depending on the card-issuing banks and service line)	-	from \$ 12 to \$ 80			
Minimum card limits for primary and additional cards (depending on the card-issuing bank and service line)	equivalent to \$ 50 in KG soms at the rate of the National Bank of the KR	from \$ 50 to \$ 1,500			
Internet -Banking					
Connection and system management	Free-of-charge	Free-of-charge			
Safe deposit boxes					
Safe deposit box rental depending on the terms of the lease	from 9 KGS to 30 KGS per day	USD 0.2 to USD 0.7 per day			

### LIST OF DOCUMENTS FOR BANK CREDIT APPLICATION

For a legal entity

- 1. Completed application form.
- 2. Constituent documents
- 3. Documents proving the authority to enter into the transaction.
- 4. Documents showing the financial activity of the enterprise
- 5. Confirmation letter regarding the absence of debts
- 6. Business plan specifying a predictable cash flow
- 7. One of the following types of collateral:
  - Pledge of property or securities;
  - •Guarantee of a bank or insurance company;
  - Third-party guarantee;
  - Insurance company policy, regarding insurance of credit risk by a loan borrower.



As a rule, a bank credit application requires collateral in the form of a guarantee, letter of comfort, insurance policy or pledge. The collateral is regulated in accordance with the Civil Code of the Kyrgyz Republic, and the Law of the Kyrgyz Republic "On Pledge". However, in practice certain banks require a pledge from the client, whose value exceeds the credit amount twice or 100% insurance from commercial value.



### LEASING TRANSACTIONS

### Leasing subjects:

Auto transport vehicles;	Machine-building equipment;
Special-purpose machinery for industrial and residential facility construction;	Printing equipment and others.
Special-purpose machinery for road construction;	+ Food and medical equipment;
Communication devices;	🎸 Agricultural equipment.

### Leasing services cost

Terms for rendering of	Maximum amo	unt of financing	Bank charges (from bank's total deposits)								(per annum)	
leasing services (years)	KGS	USD			subject amount)	KGS	USD					
1-5	Up to 15.0 mln.	Up to 254 669	1% to 2%	No less than 30% to 40%	17% to 26%	17% to 26%	14% to 20%					

### MICRO LENDING SERVICES



## Summary information on the micro lending market

Services in the lending market, in addition to those provided by the primary banking sector, are successfully rendered by the micro lending sector which includes microfinance companies, microcredit companies and agencies, as well as credit unions. The primary mission of the micro financing sector is to render financial services to small enterprises and low-income entrepreneurs so that they can provide employment opportunities, increase assets, and raise their living standard.

The distinctive of micro-financing organizations in Kyrgyzstan, unlike commercial banks, are: an absence of collateral for some kinds of credit (only guarantee), the consideration and granting of credit within a short period of time, and the availability of small sums for clients.



COST OF DOING BUSINESS
IN THE KYRGYZ REPUBLIC

#### TODAY SUCCESSFULLY OPERATING IN KYRGYZSTAN:

5 micro-financing companies

225 micro lending companies

16 credit unions

#### ACCOUNTING AND AUDITING SERVICES

## Summary information on accounting and auditing services' market

The Governmental Decree of the KR dated September 28, 2001 No. 593 approved the International Financial Reporting Standards (IFRS) in the Kyrgyz Republic and the Schedule of gradual implementation by the legal entities of the Kyrgyz Republic of IFRS. Then in 2002, the Law of the KR "On Accounting of the Kyrgyz Republic" approved IFRS. In accordance with the Law (article 1, paragraph 2) IFRS is the only methodology approved for accounting, record-keeping, and financial reporting in the territory of the Kyrgyz Republic for all entities irrespective of their form of ownership (excluding government-financed organizations and individual entrepreneurs). The government-financed organizations accept the International Financial Reporting Standards for the public sector (IFRS PS) as the fundamental document. Entities classified as small and medium-sized businesses (SMBs) are governed by IFRS PS.

In accordance with the Law of the Kyrgyz Republic "On Accounting" the business entities should provide:

accounting record-keeping in accordance with IFRS requirements;

accounting policy acceptance and its consistent fulfillment;

## proof of the existence and performance of internal control system

B In accordance with the legislation of the Kyrgyz Republic, auditing activities in Kyrgyzstan are a licensed type of business activity. Nowadays, 72 companies in KR are providing accounting and auditing services

## Main criteria for cost determination of auditing and accounting services:

Was the potential customer audited previously?

Does the company, who requested the audit, use special accounting software?

Level of accountants' competence (do the specialists have the relevant education, certificates etc.).

Does the accounting and record-keeping of the potential client follow the norms established by the legislation of the Kyrgyz Republic, and first of all, does it meet IFRS standards.

Complexity of conducted transactions.

Is the Company a problematic one (for instance, unprofitable).

Existence of branch offices.

Total assets, number of borrowers (for financial institutions, for instance, banks).

Sector profile, etc.

#### 🖌 Guiding price for auditing and accounting services in the Kyrgyz Republic

Types of auditing and accounting services	Unit of measure	Price per unit of measure (KGS)
Accounting	Per month	starting at 5 000
Auditing	Financial reporting of a business year	starting at 20 000
Tax advisory services	Per hour	starting at 500

#### INSURANCE



#### Summary information on insurance market

There are two functioning insurance systems in the Kyrgyz Republic: Obligatory and voluntary. Statutory types of insurance are required by the certain laws, and serves to distribute liability between the insurers and insured in case of an occurrence of an insured event. 17 insurance companies including two re-insurance organizations are doing their business at the insurance market of Kyrgyzstan. Mainly, insurance business is focused in the capital city (14 companies), and only one insurance company is operating in Jalal-Abad. On April 15th, 2013, the Government of the Kyrgyz Republic adopted a Resolution (under Nº 194) "On Approval of Insurance Market Development Concept in the Kyrgyz Republic for 2013-2017". This Resolution implementation will raise effectiveness of the insurance companies' activities in Kyrgyzstan.

In accordance with normative legal documents along with voluntary types of insurance, the activity in statutory types of insurance can be carried out by the insurance

companies with chartered fund more than 50 mln. KG soms and more.The insurance companies with chartered fund less than 50 mln. KGsomsareallowed to provide voluntaryinsurance services.

#### **Obligatory insurance:**

✓ Public insurance of health and life of military servants, armed forces of the Kyrgyz Republic, and the persons liable for military service called for training and special military periods.

Compulsory insurance of civil liability of employee for infliction of harm to health and life of employee while performing labor (official duties).

Compulsory insurance of civil liability of organizations operating hazardous industrial facilities.

Compulsory insurance of civil liability of the carrier transporting hazardous cargo.

Carrier's compulsory insurance of civil liability to passengers.

### V List of insurance services and the amount of insurance premium

Personal insurance	
Personal accident and sickness insurance	0.15-5
Voluntary medical insurance	from 200 USD to 2,500 USD a yea
Medical insurance of persons living abroad	individually
Property Insurance	
Motor liability insurance	3 – 7
Insurance of air freight	до 5
Cargo insurance	0.15-1
Corporate property insurance against fire and other dangers	0.15-1.5
Collateralized property insurance	0.2-3.5
Personal property insurance	0.15-2.5
Construction and assembly risks insurance	0.15-1
Mobile Equipment (ME)	0.2-2
Machinery Breakdown	0.4 -1.6
Insurance of buildings and dwellings	0.18-1
Liability insurance	
Civil legal liability insurance of vehicle owners	1.5-8
Liability insurance of air transport owners	1.5-5
Insurance for damage and injury of third parties during construction and assembly works	0.3-1.8
Civil liability insurance	1.5-2.5
Employer's civil liability insurance	0.4-1.5
Professional liability insurance	0.5-3
Business risk insurance	0.5-1.5
Legal expenses' risk insurance	0.15-0.6
Financial risk insurance	0.5-5.5

\*\* Particular insurance rate is specified during the negotiations between the insurer and the insured, and set in the Insurance Agreement





#### **BUSINESS, PROPERTY APPRAISAL AND ESTIMATION**

#### Summary information on the market of appraisal services

Market valuation services in Kyrgyzstan are comparatively young, and began their formation from the mid-90s of the previous century. The stable legal framework was set over the years of independence of the Kyrgyz Republic: on August 21st, 2003, the Government of the Kyrgyz Republic adopted a Decree (№ 537) "On development of assessors and valuating organizations in the Kyrgyz Republic"; on January 5th, 2004 the Resolution "On Certification and issuance of gualification certificates to the assessors in the Kyrgyz Republic" was approved by the Order of the State Property Committee of the KR. On April 3rd, 2006 the Resolution of the Kyrgyz Republic № 217 approved Property Appraisal Standards, which has to be implemented and followed by all the estimating agencies in the Kyrgyz Republic on a mandatory basis. Cost of estimating works is defined on the basis of the object condition and state and complexity of engineering works.

#### SERVICES AT THE SECURITES MARKET

Securities trading services regulation

Relations at the securities market in the Kyrgyz Republic are regulated by the package of legislative and regulatory instruments - the Civil Code of the KR, the Laws of the Kyrgyz Republic "On the securities market",

"On investment funds", "On Joint Stock Companies", and other regulatory legal acts Current regulating authority of securities market is Government Agency for regulation and supervision of financial market under Government of the Kyrgyz Republic. The Service is the relevant public authority which implements unified state policy in the financial market of the Republic.

In accordance with the legislation of the Kyrgyz Republic, all transactions at the securities market are conducted in a written form through professional participants of the securities market (brokers). Trade transaction settlements of public companies' and open joint stock companies securities are executed at the stock exchange under commission contracts signed between the Parties and a professional participant (broker). Also, the transactions with securities can be registered through an independent registrar of security holders on the basis of the Contracts for the investment assets' management, as well as Sales Contracts for the securities sales which are not permitted to circulate on the trading platforms of stock exchanges in accordance with the legislation of the Kyrgyz Republic. Lists of the necessary documents for the settlement of securities sales and purchase transactions to natural persons, legal entities, including stages of trade transaction settlement are shown below.

## Cost of services provided by professional participants

Professional participant in the securities market	Functions and basic services rendered to clients	Cost of services of a professional participant in the securities market
Broker	<ol> <li>Registration of stock/shares and other securities purchase/ sale transactions;</li> <li>Buying-up and amalgamation of share package;</li> <li>Participation and organization of auction proceeds in sale of an equity interest;</li> <li>Consulting and assisting in additional securities placement</li> </ol>	from 0.1 - 1.5 % of transaction amount (commission fees)
Dealer	<ol> <li>Settlement of dealings within the account on behalf of its customers or own account</li> <li>Disclosure of information concerning any of dealer's financial difficulties to the clients including the potential ones;</li> </ol>	from 0.12 - 0.2 % of transaction amount (commission fees)
Depositary	<ol> <li>Safekeeping and management of bailor's cash received from securities' sale and destined for financial investment and monetary funds, as well as monetary funds received in the form of dividends for the bailor's securities held in depository.</li> <li>Transfer of ownership services</li> </ol>	0.06% + fixed rate from 15 KGS up to 300 KGS. (commission fees)
Independent registrar	<ol> <li>Maintenance and keeping of emitter securities holder's record, and rendering the services on registration of securities holder's rights upon the Contract concluded with the issuer of the securities</li> <li>Provision the abstract from the registry containing the information on the securities of the holder</li> </ol>	from 15 KG soms -300 KG soms depending on promptness and volume of the services rendered



#### CONSULTING

V Cost of services in Kyrgyzstan\*

Name of consulting services	Unit of measure	Average cost per unit of measure US dollars
Corporate strategy development	1 company	5000 to 6000
Marketing research	1 month	2000 to 3000
Business support services (training, coaching, consulting, auditing)	1 day (8 hours)	300 to 500
Business plans and investment projects development	1 project or business plan	1200 to 4000
Feasibility study development	1 project	2500
Internet marketing	1 month	500 to 1000

\* The data has been submitted by the Management Consulting Institute of Kyrgyzstan.

#### InterConsult Bishkek

InterConsult Bishkek provide high-quality services on development, consulting, introduction of Management Systems compliance to International Standards: ISO 9001, ISO 27001, PCI DSS, ISO 22000 HACCP, ISO 14001, Organic, Global G.A.P., HALAL, OHSAS 18001 and others. Also we provide consulting services for mining companies, energy management and audit services, providing consultations on compliance to regulations of Customs Union. Learn more about the Company on www.interconsult.kg



#### Our Partners:

"Interconsult" implemented projects in the area of development and introduction of Management Systems in the Russian Federation since 2001. "SGS" is the world's leading inspection, verification, testing and certification company. http://www.sgs.ru/ "Deiteriy" – Information security services and certification. http://deiteriy.com/

# 14. LEGAL SERVICES AND THEIR COST



## Summary information on the market of legal services

Every investor needs legal assistance and corporate advice provided by lawyers and law firms to startup and carry out any business activity from the very beginning including its registration. Generally the Companies rendering legal services in Kyrgyzstan can be divided into:

Small law companies providing their clients with legal advice covering all legal issues (Legal Consultants);

#### Registration and re-registration of legal entities

Law firms providing special legal services (Specialized Firms). This category of firms includes the companies

rendering complex legal support for registration of business entities as well as legal assistance in receiving of licensing documents for certain types of businesses.

A Law firms with experienced teams of lawyers providing solutions for wide range of legal questions (Universal Firms). For more detailed information please see the list of law companies in the "Useful information" Section.

Services description	Commission fees in USD	Terms
LLC registration	150	7 days
LLC registration with participation of foreign founders	200	7 days
Registration of an Individual Entrepreneur (IE)	70	2 days
CJSC registration	200	7 days
Registration of non-profit organizations (associations, unions, public foundations, political parties, institutions, housing cooperatives, public associations)	200	15 - 35 days
Branch office/Representative office registration	200	7 days
Registration of amendments into articles of LLC, CJSC	100	7 days
Registration of amendments into articles of non-profit organizations (re-registration)	100 to 200	15 days
IE liquidation	400	up to 8 months
LLC, CJSC liquidation	500	up to 8 months



Addresses, phone numbers, and websites of law offices are specified in the "Useful addresses and contacts" section.

V	Legal service fee	for various types	of legal aspects
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Types of legal services	Cost in USD
Legal support (per month)	250-800
Antimonopoly regulation (specific issue)	250-900
Contractual work (per contract)	50-850
Out-of-court settlement (each)	300-1000
Borrower-creditor controversy	100-400
Intellectual property (registration)	500-1700
Corporate governance (specific issue)	500-1500
Legal Services to natural persons and legal entities (specific issue)	50-300
Banks and finances (per hour)	50-300
Electric power industry (for consultation and preparation of a legal opinion)	500-1500
Taxes (for consultation and preparation of a legal opinion)	50-1000
Property and construction (one case)	300-1000
Subsoil use (per hour)	100-500
Legal audit (due diligence)	500-3000
Registration of legal entities	100 -500
Courts and Arbitration (one instance)	500-2000
Labor relations (one case)	200-500
Telecommunications (per hour)	100-300
Legal claim settlement (one case)	300-700

# 15. VISA REGIME AND CONSULAR SERVICES



Å	Name of the country	Duration of stay (in days)	Entrance visa issuing point	
	Russia, Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Moldova, Mongolia	90		
Countries with a visa-free regime	Tajikistan, Ukraine , Uzbekistan, Australia, Austria, Bahrain, Belgium, Bosnia and Herzegovina , Brunei Darussalam, Holy See, Hungary, Germany, Greece, Denmark, Ireland, Iceland, Ireland, Italy, Japan, Jordan , Korea, Kuwait, Latvia, Liechtenstein, ithuania, Luxembourg, Malta, Monaco, Netherlands, New Zealand, Norway, United Arab Emirates, Poland, Portugal, Saudi Arabia, Singapore, Slovakia, Slovenia, United Kingdom of Great Britain and Northern Ireland, United States, Finland, France, Croatia, Czech Republic, Switzerland, Sweden , Estonia, Japan	60	Missions of the Kyrgyz Republic abroad, in round- the-clock Visa section at the international airport "Manas", Department of consular service of the Ministry for Foreign Affairs of the Kyrgyz Republic	
	For the owners of diplomatic and business passports of following States: The Republic of Hungary, People's Republic of China, Turkmenistan	30		
The countries whose citizens are required to obtain an entry visa to Kyrgyzstan	The citizen of the countries that are not listed above	According to the date specified in the visa	Embassy of the Kyrgyz Republic in the country where	



• Every foreign citizen upon arrival in Kyrgyzstan should be registered at the local police office during 3 days (Foreign Regional Registration Office, Regional Department of Internal Affairs) by the firm providing the visa facilitation on condition that you will stay in Kyrgyzstan more than three days business days. The citizens of the following states are free from registration at the Department of Internal Affairs: Australia, Austria, Belgium, Germany, Greece, Denmark, Israel, Ireland, Iceland, Spain, Italy, Canada, Cyprus, Korea, Lichtenstein, Luxemburg, Malta, Monaco, the Netherlands, New Zealand, Norway, Portugal, the United Kingdom of Great Britain and Northern Ireland, the United States of America, Finland, France, Switzerland, and Sweden.

• We recommend that you take out medical insurance including climbing when you visit Kyrgyzstan.

### Rates for consular services rendered by the Consular Services Department of MFA KR for visa extension in the Kyrgyz Republic:

Description of Consular Services	Rates of consular fees within the territory of the KR, USD	Rates of processing fees at the Consular Service Department of MFA KR, USD	Total amount, US dollars, (payment via RSK-Bank)
Registration and consideration of the submitted documents	10	-	10
	Single entry	visas:	
up to 1 month	50	10	60
1 to 3 months	60	10	70
3 to 6 months	70	10	80
Multi-entry visas:			
up to 1 month	60	10	70
1 to 3 months	80	10	90
3 to 6 months	120	10	130
6 months to 1 year	180	10	190
	Tourist vis	as:	
single-entry visa up to 15 days	30	10	40
single-entry visa up to 1 month	40	10	50
double entry visa up to 1 month	55	10	65
group visa (for one person)	20	10	30
group visa (double entry) (for one person)	30	10	40
	Transit vis	as:	
up to 5 days	25	10	35
double-entry visa	35	10	45

## **16.** BUSINESS PROJECT IMPLEMENTATION. EXAMPLE OFCONSTRUCTION



Requirements for the contracting agency		
1	Established as a legal entity (business)	
2	Possession of 1st, 2nd, 3rd, and 4th level licenses issued by the State agency for construction and regional development under the Government of the Kyrgyz Republic	
3	Specialists must have a certificate in the relevant specialties.	
4	Experience in implementation of similar projects or participation in tenders	

### **Terms for inspection by government building inspectors**

Area (m2)	Term (days)
50 to 300	7
300 to 1000	10
More than 1000	20



Address, phone number, and the official website of the State Agency for Construction and Regional Development under the Government of the Kyrgyz Republic is specified in the "Useful addresses and contacts" section.

## Stages of pre-work and the price of government services

Type of Services	Responsible entity	Price
Design Brief	Customer	In accordance with the contract
Document of entitlement for the land allotted for the construction	Public Property Office of the Bishkek City Mayor	Free of charge
Mayor of Bishkek's resolution on design and construction	Mayor of Bishkek	Free of charge
Geotechnical research	Specially licensed agency	In accordance with the contract
Topographical survey, scale of MI:500	Specially licensed agency	In accordance with the contract
Kyrgyz Research and Project Institute for earthquake engineering's technical findings on the load bearing structure's state (for reconstructed buildings)	Bishkek Architecture and Planning Department	Up to 15 000 KGS/ \$ 255
Architectural and Planning Specifications	Bishkek Architecture and Planning Department	Up to 40 000 KGS/ \$ 679
Engineering Specifications	Bishkek Architecture and Planning Department	Up to 40 000 KGS/ \$ 679
Draft project which has prior approval by the chief architect of the city of Bishkek with consideration by the urban planning council	Licensed body	In accordance with the contract
Contractor design which has the final approval by the chief architect of the city of Bishkek and operating engineer services delivering technical specifications for site engineering support	Licensed body	In accordance with the contract
Validated contractor design submitted for examination to the State Agency for Construction and Regional Development under the Kyrgyz Government	Bishkek Architecture and Planning Department	Up to 12 000 KGS/ \$204
Contractor design with positive examination results from the State Agency for Construction and Regional Development under the Kyrgyz Government as the basis for obtaining a permit for construction works	Bishkek Architecture and Planning Department	Up to 12 000 KGS/ \$204



Cost of works is not fixed; it is determined by calculations for each object depending on hours of work required and its level of complication. The table shows cost of services of the state agencies up to the specified amount, which is a maximum one.

# USEFUL ADDRESSES AND CONTACTS



## State authorities rendering services for entrepreneurship

The Ministry of Justice of the KR Bishkek, Molodaya Gvardiya ave., 32 Tel: +996 (312) 65 10 10, www.minjust.gov.kg

#### The Ministry of Economy of the KR

Bishkek, Chui ave., 106 Tel.: +996 (312) 62 05 35, www.mineconom.kg

The Ministry of Foreign Affairs of the KR Bishkek, Erkindik ave., 57 Tel.: +996 (312) 660675, www.mfa.gov.kg

The Ministry of Labor, Migration and Youth of KR Bishkek, Razzakova str., 8\1 Tel.: +996 (312) 620435, www.mz.gov.kg

The Ministry of Transport and Communications of the KR Bishkek, Isanova str., 42 Tel: +996 (312) 31 5090, www.mtc.gov.kg

The Ministry of Agriculture of the KR Bishkek, Kievskaya str., 96 A, Tel.: +996 (312) 62 36 16, www.agroprod.gov.kg

National Bank of the Kyrgyz Republic Bishkek, Umetalieva str., 101 Tel.: +996 (312) 66 90 11, www.nbkr.kg

National Statistics Committee of the KR Bishkek, Frunze str., 374 Tel.: +996 (312) 66 00 84, www.stat.kg

Social Fund of the Kyrgyz Republic Bishkek, Manaschy Sagynbay str., 121 Tel.: +996 (312) 54 4529, www.sf.kg

State Tax Service of the Kyrgyz Republic Bishkek, Chui ave., 219 Tel.: +996 (312) 61 31 89, www.sti.gov.kg

State Agency for Geology and Mineral Resources under the Government of the KR Bishkek, Erkindik ave.,2 Tel: +996 (312) 30 05 08.

www.geology.kg **State Agency for Environmental Protection and Forestry under the Government of the KR** Bishkek, Toktogula str., 228 Tel.: +996 (312) 35 27 27, www.nature.kg

## State Register Service under the Government of the KR

Bishkek, Moskovskaya str., 172 Tel.: +996 (312) 624140, www.grs.gov.kg

Department for Title Deeds and Real Estate Rights Registration Bishkek, Moskovskaya str., 172 Tel.: +996 (312) 45 40 42, www.gosrea.kg

State Service for Intellectual Property and Innovations under the Government of the KR Bishkek, Moskovskaya str., Nº 62 Tel.: +996 (312) 68 08 19, www.patent.kg

State Agency for Construction and Regional Development under the Government of the KR Bishkek, Manas ave., 28 Tel.: +996 (312) 61 36 97

#### Supreme Court and local courts

The Supreme Court Bishkek, Orozbekova str.,37 Tel.: +996 (312) 66 33 18

Bishkek City Court Bishkek, Ibraimova str., 64 Tel.: +996 (312) 68 17 93

Leninskiy District Court of Bishkek Bishkek, Chui ave., 275 Tel.: +996 (312) 34 20 67

Pervomayskiy District Court of Bishkek Bishkek, Baytik Baatyra str.,132 Tel.: +996 (312) 30 31 97

Oktyabrskiy District Court of Bishkek Bishkek, MicroDistrict '6', 27/1 Tel.: +996 (312) 52 13 91

Sverdlovskiy District Court of Bishkek Bishkek, Suyumbaeva str., 16, Tel.: +996 (312) 43 60 35

Interdistrict Court for Economic Issues of Bishkek Bishkek, Molodaya Gvardiya ave., 32 Tel.: +996 (312) 65 64 86

Batken Regional Court Batken, Sadykova str., 54 Tel.: +996 (3622) 5 00 73

Dzhalal-Abad Regional Court Dzhalal-Abad, Erkindik str., 2-A Tel.: +996 (3722) 5 36 94

Issyk-Kul Regional Court Karakol, Tynystanova str., 13 Tel.: +996 (3922) 5 57 04

Naryn Regional Court Naryn, Mambetaaly uulu Taranchy str., 18 Tel.: +996 (3522) 5 15 32 Osh Regional Court Osh, Muminova str., 3 Tel.: +996 (3222) 5 65 29

**Talas Regional Court** Talas, 1st May str., 206 Tel.: +996 (3422) 5 32 97

International Arbitration Court at the Chamber of Commerce and Industry of the KR Bishkek, Shopokova str. 89, 4 floor, office #1 Tel: +996 (312) 43-89-77 www.arbitr.kg

#### Unions and associations in business

Chamber of Commerce and Industry of the KR Bishkek, Kievskaya str., 107 Tel.: +996 (312) 61 38 72, www.cci.kg

Bishkek Business Club Bishkek, Chui Ave. 245/1 Tel.: +996 (312) 898680, e-mail: office@bdk.kg, сайт: www.bdk.kg

International Business Council Bishkek, Abdrahmanova str., 191 Hyatt Regency Bishkek, office № 113-114 Tel./fax: +996 (312) 623394, e-mail: office@ibc.kg, сайт: www.ibc.kg

National Alliance of Business Associations Bishkek, Orozbekova str. 2A Tel.: +996 (312) 93 55 81

Chamber of Tax Advisors Bishkek, Panfilova str., 53, office № 3, 4 Tel.: +996 (312) 39 80 02, +996 (312) 39 80 03, www.pnk.kg

Union of Kyrgyz Banks Bishkek, Ibraimova str., 115 A Tel./fax: +996 (312) 690058, www.ub.kg

JIA Association Bishke, Frunze str. 387 Tel: +996 312 895 362 www.jia.kg

Kyrgyz Association of Tour Operators Bishkek, Kievskaya St.107, office 304A tel./ fax: +996 312 613857 www.kato.kg

Foreign Investors Association Bishkek, Manasa str. 299/1 Tel: +996 312 88 11 68 www.fiabiz.org



#### Free economic zones

#### Free Economic Zone "Bishkek" Bishkek

Tel.: +996 (312) 600 211, Fax: +996 (312) 600 220, e-mail: office@fez.kg www.fez.kg

Free Economic Zone "Maymak" Talas region, Karabuura District, Satykey town. Tel.: +996 (772) 533 774, Mob.: +996 (550) 533 774, e-mail: fez\_maimak@mail.ru

Free Economic Zone "Naryn" Naryn region, Naryn, Lenin str., 44 Tel.: +996 (3522) 5 17 54, 5 17 56, Fax: +996 (3522) 5 17 54, e-mail: office@feznaryn.kg www.feznaryn.kg

Free Economic Zone "Karakol". Issyk-Kul region, Karakol urban District, Karasaeva str., 1-A Tel.: +996 (3922) 5 65 35

Free Economic Zone "Leylek" Currently FEZ "Leylek" has no registered address, and does not operate.

Department on business policy and FEZ of the Ministry of Economy of KR Bishkek, Chui ave. 106, Tel.: +996 (312) 620535 (+147)

#### Companies providing legal services

Kalikova & Associates Bishkek, Erkindik ave.,71 Tel.: 666060 Email: lawyer@k-a.kg

Legal Clinic "Adilet" Bishkek, Umetalieva str., 39 Tel./fax: +996 (312) 65 35 13, e-mail: legal@elcat.kg www.adilet.kg

#### Vigens Unified Legal Center

Bishkek, Suyunbaeva str., 142/1, Tel.: +996 (312) 93 49 34, e-mail: info@vigens.ru www.vigens.ru

Law firm "LEX" Bishkek, Tynystanova str., 189 "a" Tel.: +996 (312) 90 13 38 (37), e-mail: office@lex.kg www.lex.kg

"Partner" Law Firm Bishkek, K.Akieva str., 57, apt. 21 Tel.: +996 (312) 24 06 65, 65 00 19, e-mail: bakyt@elcat.kg

Egemberdieva & Partners Bishkek, Manas ave., 101/1, office 508, 510 Tel.: +996 (312) 69 42 20, 69 42 21, Mob.: +996 (772) 52 93 89, e-mail: anar@egemberdieva.kg

«GRATA» law firm Bishkek, Razzakova str. 33/1 Tel.: +996 (312) 31-40-50 www.gratanet.com

#### **Travel companies**

Kyrgyz Concept

Bishkek, Isanova str. 42/1 Tel: +996 312 90 32 32, +996 312 90 62 62 www.concept.kg

**C.A.T. — Company** Bishkek, Chui Ave. 124 Tel: +996312 663-664, 660-277 www.cat.kg

FIRST CLASS Firm (Tez Tour) Bishkek, Logvinenko str. 26a Tel: +(996 312) 622226, 622002, 624142 www. tez-tour.kg

#### Ak-Sai Travel

Bishkek, Abdyrakhmanova str. 65 Tel: +996 312 59 17 59 www.ak-sai.com Iron Horse Nomads Bishkek, Turusbekova str. 49, Ten: +996 555 800 278 www.ihn.kg

#### **Conculting Companies**

**El Group Consulting** Bishkek, Gorkiy str. ½ , 7 floor, #707 Tel: +996 312 (0) 46 01 43 / 53 04 63 www.el-group.com

SIAR research & consulting Bishkek, Moskovskaya str. 147 Tel: +996 312 976 331 siar-consult.com

Promo Tank Bishkek, Baytik-Baatyra str. 61, #8 Tel: (+996 312) 898 999 www.promotank.kg

Audit Plus Bishkek, Abdymomunova 240 οφιc 1 Tel: +996-312-895440 www.audit.kg

Baker Tilly Bishkek Bishkek, Ibraimova str. 115 Tel: +996 312 696 232 www.bakertilly.kg

Deloitte Kyrgyzstan Bishkek, Razzakova str. 19 Tel: +996 (312) 39 82 88 www.deloitte.kg

Smart Business Solutions Central Asia Bishkek, Abdrakhmanova str. 175(a) Tel: +996 312 89 39 25 www.bbsca.net

CAI Consulting Bishkek, Toktogula str. 96-3 Tel: +996 312 66 46 87 www.caiconsulting.org



INVESTMENT PROMOTION AGENCY UNDER THE MINISTRY OF ECONOMY OF THE KYRGYZ REPUBLIC



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