



INTERNATIONAL  
BUSINESS  
COUNCIL

ANNUAL REPORT  
OF THE MANAGEMENT BOARD OF  
THE INTERNATIONAL BUSINESS  
COUNCIL (IBC)  
FOR 2015

# LETTER OF SUBMISSION

## OF THE MANAGEMENT BOARD OF THE INTERNATIONAL BUSINESS COUNCIL

*Bishkek, May 17, 2016*

*Dear IBC members,*

*We have the honor to submit to you the 2015 Annual Report of the Management Board of the International Business Council.*

*Respectfully,*

*Ruslan Chynybaev, Imperial Tobacco Kyrgyzstan LLC, Chairman of IBC Management Board*

*Yulia Abdumanapova, Baker Tilly Bishkek LLC, Deputy Chairman of IBC Management Board*

*Anvar Estemesov, Talas Copper Gold LLC, IBC Management Board Member*

*Azat Bazarkulov, Alpha Telecom CJSC, IBC Management Board Member*

*Beibut Kapyshev, Optima Bank OJSC, IBC Management Board Member*

*Bektur Aliev, Kyrgyz Investment and Credit Bank CJSC, IBC Management Board Member*

*Dilyara Sharshembieva, KAZ Minerals Bozymchak LLC, IBC Management Board Member*

*Eliza Djumasheva, KPMG-Bishkek LLC, IBC Management Board Member*

*Rodney Stuparyk, Kumtor Gold Company CJSC, IBC Management Board Member*

*Ulan Tilenbaev, "Kalikova & Associates" Law Firm LLC, IBC Management Board Member*

*Jyldyz Galieva, European Bank for Reconstruction and Development, IBC Management Board Observer*

*Anders Lundgren, German Embassy in the Kyrgyz Republic, IBC Management Board Observer*

## 1. Introduction

The Board is pleased to report that in 2015, IBC's 15<sup>th</sup> Anniversary, we maintained our position as the leading and most influential business association of the Kyrgyz Republic. This was a period of a continued growth in all aspects of IBC activity including active stance and support of IBC members, financial sustainability and advocacy.

IBC is regarded as a credible and respected partner of the Kyrgyz Government, Parliament, President's Office and other state institutions in all matters affecting business. In 2015, IBC continued its efforts to be the voice of business community, further strengthening its position and working with authorities to not only retain and support existing businesses, but also to attract even more investors into the country, thus contributing to the Kyrgyz Republic's economic development.

In 2015, IBC was actively engaged in discussing and addressing such pressing issues for the country as uncertainties arising from Kyrgyzstan's accession to the Eurasian Economic Union, liberalization of labor legislation and adjusting it to market economy conditions, facilitating adequate tax rates and efficient tax administration, connecting employers and educational institutions, as well as many others.

This year was also remarkable for various types of extra events held by our association ranging from Construction Materials Project's Kick-off Open Meeting to the Anniversary Gala. Moreover, we had two new sub-committees launching/resuming their activity: Tourism and Construction and Real Estate Committees which demonstrates a surge in members' activity and overall responsibility.

IBC always stays committed to its mission of creating an attractive investment climate and favorable business environment in the country.

The IBC Management Board reports each year on its activities during the past year. This report covers the period from January 1, 2015 through December 31, 2015, and includes the following sections:

1. Introduction
2. Activities within the State Working Groups, Commissions and Councils
3. IBC Committees and Participation in Legislative Processes
4. Corporate Development
5. Participation in Donor-funded Activities
6. IBC Events
7. Annexes

## **2. Activities within the State Working Groups, Commissions and Councils**

As a leading non-commercial organization affecting public policy in the sphere of development of the economy and entrepreneurship in the Kyrgyz Republic, in 2015 International Business Council was a member of the following platforms aimed at creating favorable conditions for doing business:

- National Council for Sustainable Development of the Kyrgyz Republic (Decree of the President of the Kyrgyz Republic No. 251 dated November 24, 2012);
- Business Development and Investment Council under the Government of the Kyrgyz Republic (Regulation of the Government of the Kyrgyz Republic No. 149 dated August 5, 2010);
- Council for Awarding Prizes of the Kyrgyz Republic for Quality (Regulation of the Government of the Kyrgyz Republic No.67-r dated March 2, 2015);
- Interdepartmental Working Group for Developing the Draft Regulations on Improving the Legislation on Compulsory Insurance of Civil Liability of: the Carrier of Dangerous Goods; Carrier to Passengers; Employer to Employees for Damage to Life and Health While Performing Labor Activities; Organizations Conducting Work with Hazardous Facilities, in Terms of Providing Complete and Guaranteed Protection of Interests of the State, Citizens and Legal Entities (Regulation of the Government of the Kyrgyz Republic No. 164-p dated April 17, 2015);
- Interdepartmental Working Group on Analyzing and Developing Appropriate Changes to the Applicable Legislation with regard to Licensing and Obtaining other Permission Documents for Constructing small Communication Objects (Regulation of the Government of the Kyrgyz Republic No. 41-r dated February 11, 2016);
- Interdepartmental Working Group on Development of Proposals on Strengthening and Further Promoting the Brand of the Kyrgyz Republic Abroad (Regulation of the Government of the Kyrgyz Republic No. 51-r dated April 3, 2015);
- Working Group within the Interdepartmental Commission for Preparing Recommendations for Reformation of Pension System with regard to State Social Insurance of Agricultural Producers and Individual Entrepreneurs (Order of the Prime-Minister of the Kyrgyz Republic No. 535 dated November 27, 2013, Order of the Social Fund No. 150-p dated July 24, 2014).
- Working Group On Improving the Current Permission Obtaining Procedures for Foreign Employees on the Territory of the Kyrgyz Republic (Minutes of meeting with the Vice Prime Minister of the Kyrgyz Republic № 20-85 dated July 24, 2014);
- Methodological Council for Fiscal Policy Coordination under the Ministry of Economy of the Kyrgyz Republic (Order of the Ministry of Economy No. 250 dated October 27, 2015);
- Consultative Council on Subsoil Use Policy under the Ministry of Economy of the Kyrgyz Republic;
- Working Group on Changing the Frequency of Accounting and Tax and Social Security Contributions Reporting and Payment to the Social Fund and State Tax Service (Order of the Ministry of Economy of the Kyrgyz Republic No. 12 dated January 28, 2014);
- Working Group on Development of Amendments to the Tax Code with regard to Desk Audit and Tax Audits (Order of the Ministry of Economy of the Kyrgyz Republic No. 37 dated December 21, 2015);
- Working Group on Developments of Amendments to the “Regulation on Application of Double Taxation Avoidance and Prevention of Tax Evasion on Income and Capital Agreements concluded by the Kyrgyz Republic with Foreign States” (Order of the Ministry of Economy of the Kyrgyz Republic No. 192 dated December 10, 2014);

- Working Group on Development of Amendments on Introduction of Labor Market Relations to the Labor Code (Order of the Ministry of Economy of the Kyrgyz Republic No. 34 dated February 9, 2015);
- Working Group on Drafting the International Agreements on Elimination of Trade Barriers with the Third States – nonmembers of EEU (Order of the Ministry of Economy of the Kyrgyz Republic No. 21 dated September 30, 2015);
- Subsoil Use Licensing Commission under the State Agency for Geology and Mineral Resources under the Government of the Kyrgyz Republic;
- Working Group on Drafting Resolutions on Introduction of Amendments to Resolutions of the Government on Harmonization of the Legislation with adoption of the Law “On Compulsory Insurance of Civil Liability of Auto Owners” (Order of the State Service for Regulation and Supervision of the Financial Market under the Government of the Kyrgyz Republic № 90-p dated September 1, 2015).

## **2.1 National Council for Sustainable Development of the Kyrgyz Republic**

In 2015, there were no meetings of the National Council for Sustainable Development. As it was announced, the nearest meeting is planned for the summer 2016.

IBC actively participates in all meetings of the Council. Thus, IBC took part in all meetings of the Council in the previous years which were dedicated to discussion of such issues, as preparatory issues to the Parliament election and measures on implementation of the National Strategy for Sustainable Development for 2013-2017.

National Council for Sustainable Development, founded in 2012, is an advisory and coordinating body. Its main objectives include developing, discussing and adopting consolidated proposals aimed at enforcement of strategic documents for the national development, as well as monitoring and evaluation of its results.

The President of the Kyrgyz Republic is the Council's Chairman, while its members include the Parliament Speaker, Prime Minister, Supreme Court Chairperson, Prosecutor General, National Bank Chairman, Vice Prime Ministers, Ministers, Leaders of Parliamentary factions, heads of business associations and NGOs.

IBC Executive Director Temirbek Azhykulov is the member of the National Council for Sustainable Development.

## **2.2 Business Development and Investment Council under the Government of the Kyrgyz Republic**

IBC actively participates in discussions and contributes to the implementation of decisions taken at the meetings of the Business Development and Investment Council. Four meetings of the Council chaired by the Prime Minister were held in 2015. IBC participated in all meetings of the Council which considered the following issues:

- Improvement of social and tax payments' administration;
- Recommendations of the business community on improvement of Entrepreneurship Development Fund;
- Recommendations of the business community on development of small-scale hydropower plants;
- Resuming the Interdepartmental Commission on Tourism under the Government of the Kyrgyz Republic;
- Difficulties faced by entrepreneurs with the changes of insurance payment order;
- Liquidation of excessive administrative procedures for facilitation and support of the real estate market;
- Changes of voluntary patent rates for individual entrepreneurs;

- Measures on expansion and increase of export;
- Creation of commodity and logistic centers;
- And many others.

Appropriate recommendations for resolving each of the issues above have been prepared and adopted by the Council. Most of them were later implemented by relevant state bodies which contributed to fulfilling IBC mission, its goals and objectives.

### **2.3 Council for Awarding Prizes of the Kyrgyz Republic for Quality**

The IBC Executive Director is a member of the Council for Awarding Prizes for Quality. The purpose of creation of prizes for quality is to increase products and services quality, contribute to modern technology adoption of producing competitive goods and quality management.

IBC participated in all meetings of the Council held in 2015 which considered the results of the contest announced in 2014; the contest topics were: healthcare and education. IBC also participated in drafting the contest conditions on quality nomination for retail trade services, food and processing industry. This contest will be announced in the summer 2016.

IBC sent a letter to the Center for Standardization and Metrology under the Ministry of Economy of the Kyrgyz Republic with a request to include its members – representatives of food industry (Bishkeksut OJSC, Sut-Bulak CJSC and Coca-Cola CJSC) to the list of the contest participants.

### **2.4 Interdepartmental Working Group for Developing the Draft Regulations on Improving the Legislation on Compulsory Insurance of Civil Liability of: the Carrier of Dangerous Goods; Carrier to Passengers; Employer to Employees for Damage to Life and Health While Performing Labor Activities; Organizations Conducting Work with Hazardous Facilities, in Terms of Providing Complete and Guaranteed Protection of Interests of the State, Citizens and Legal Entities**

The current Working Group was created to introduce modern and effective insurance mechanisms to the legislation of the Kyrgyz Republic for legal entities conducting commercial activities.

There were three meetings of the Working Group held in 2015. However, because of the lack of quorum all meetings were rescheduled and no decisions were made. Therefore, the Secretary of the Working Group (the State Service for Regulation and Supervision of the Financial Market under the Government of the Kyrgyz Republic) is introducing changes to the initial list of Group members.

IBC nominated the following members to participate in the activity of the Working Group: Rusbek Toktogul (Kumtor Gold Company CJSC) Maksim Kononov (KAZ Minerals Bozymchak LLC).

### **2.5 Interdepartmental Working Group on Analyzing and Developing Appropriate Changes to the Applicable Legislation with regard to Licensing and Obtaining other Permission Documents for Constructing small Communication Objects**

According to the current legislation all companies providing communication/mobile services shall go through the same procedures as big constructions (i.e. apartment buildings) while constructing small communication objects (linear objects, poles, transformers, etc.). Thus, to establish one object the companies usually spend nearly one year.

IBC together with the Association of Communication Provider Companies (ACPC) sent a joint letter to the Government with a request to simplify the procedure. In November 2015

there were held several meetings with participation of such companies and appropriate public authorities. Currently, the Working Group is waiting for some amendments to the Law “On Licensing in the Kyrgyz Republic” to develop relevant amendments.

IBC nominated its lawyer Ulukbek Turdubekov and representative of the communication provider company – Timur Alhozhoev (Alpha Telecom CJSC – IBC member).

## **2.6 Interdepartmental Working Group on Development of Proposals on Strengthening and Further Promoting the Brand of the Kyrgyz Republic Abroad**

For the last several years the Government has been actively engaged in tourism activities. For instance, it performed such big events as: First World Nomad Games, participated in world-known events, and one of them is Milan Expo. Ultimately, there was created a long-term Working Group for development of recommendations on Kyrgyzstan brand promotion abroad.

The activity of the Working Group was split into several parts; one of the most important of them was drafting Tourism Development Framework for 2016-2020.

IBC actively participated in drafting the Tourism Development Framework and attended all meetings of the Working Group. IBC representatives suggested to identify the priorities of the tourism sector, and suggested the following ones as the most crucial: expansion/increase of visa-free regime, adoption of open skies, measures on promotion of brand awareness of Kyrgyzstan abroad, etc. As the result, almost all recommendations were included to the draft document, which was later on presented to the Prime Minister of the Kyrgyz Republic.

IBC nominated its lawyer Ulukbek Turdubekov and the Chairman of the IBC Tourism Committee Stiphan Beher to participate in the Working Group.

## **2.7 Working Group within the Interdepartmental Commission for Preparing Recommendations for Reformation of Pension System with regard to State Social Insurance of Agricultural Producers and Individual Entrepreneurs**

This Working Group was created according to the Paragraph 2, Minutes of the meeting of the Business Development and Investment Council under the Government dated June 27, 2014.

The Working Group facilitated the procedure of transfer of social security contributions administration functions from the Social Fund to the State Tax Service, creation of a single report on income tax and social security contributions for small and medium-sized businesses.

As the result of the Working Group meetings, there were adopted several normative acts. For instance: there were drafted the Regulation “On the Draft Law of the Kyrgyz Republic “On Additions and Amendments to Certain Legislative Acts of the Kyrgyz Republic”. Later on, the law was adopted by the Parliament in summer 2015. The law grants some discretion to the Government to determine competent state body that shall have authority with regard to administration of social security contributions. The State Tax Service was granted such a right by appropriate Resolution. The Working Group also drafted the Resolution which initiated a pilot project according to which two regional Tax Services (Oktyabrsky district of Bishkek city and Sokuluk region of Chuy oblast) were authorized to administrate social security contributions’ payment.

The Working Group still continues its activity, and it is planning to consider the issue of the Social Fund within a different commission.

## **2.8 Working Group on Improving the Current Permission Obtaining Procedures for Foreign Employees on the Territory of the Kyrgyz Republic**

The IBC took part in the working group created by the Department for Social Development of the Office of the Government in order to improve the draft Regulation of the Government “On Licensing of Certain Types of Activities” (with regard to Chapters 101 and 102 – “Features of Issuance of Work Permit for Foreign Citizens and Persons without Citizenship according to Employers’ Application pursuant to Overall Quota in the Kyrgyz Republic” and “Features of Issuance of Work Permits for the Kyrgyz Republic Citizens Abroad”).

As a result of the working group meetings certain draft amendments to the aforesaid draft regulation were prepared. Later this activity continued within the working group for studying problems of enforcement of the Law “On Licensing and Permit System in the Kyrgyz Republic” created by the Order of the Ministry of Economy No. 5 dated January 13, 2015.

Requirements of work permit issuance for highly-qualified foreign employees are being considered within the working group created under the Investment Promotion Agency under the Ministry of Economy. Several draft amendments to the legislation with regard to highly-qualified foreign employees (their criteria, certain privileges and simplified regulation) were developed and submitted for public discussion in November 2015.

## **2.9 Methodological Council for Fiscal Policy Coordination under the Ministry of Economy of the Kyrgyz Republic**

The IBC Executive Director Temirbek Azhykulov and the Chairperson of the IBC Tax, Customs and Social Fund Committee Yulia Abdumanapova (Baker Tilly Bishkek LLC) are the members of the Methodological Council for Fiscal Policy Coordination under the Ministry of Economy of the Kyrgyz Republic.

In 2015 IBC took part in the following meetings of the Methodological Council:

1. Methodological Council Extended Meeting dated January 29, 2015 which was fully dedicated to discussion of the Fiscal Policy Framework for 2015-2020. The IBC representatives provided the following comments and recommendations which were later on included into the document:

- Harmonization of the draft document with the norms of the Framework on Development of Mining Industry with regard to VAT refund for gold mining companies; minimization of additional tax and nontax payments for mining companies;
- Harmonization of the draft document with the norms of the Vienna Convention on the Law of Treaties adopted on May 23, 1969; National Strategy for Sustainable Development of the Kyrgyz Republic for 2013-2017;
- Recommendations on structure and design of the document.

Later on, the Framework was adopted by the Government of the Kyrgyz Republic (Resolution № 455 dated July 7, 2015) with the comments of IBC representatives.

2. Methodological Council Extended Meeting dated September 4, 2015 which was fully dedicated to discussion of the new Regulation on Methodological Council.

The members of the Methodological Council initiated changes to the Regulation which identifies the legal framework of the organ to increase its expert capacity and make the whole work conducted much more transparent.

IBC sent its recommendations to the Methodological Council’s Secretary with regard to making all its decisions publically available and increasing the number of representatives from the private sector in the meetings. However, none of the suggestions were included into the final Regulation. Therefore, later on IBC raised this issue on the meeting of the Business Development and Investment Council under the Government of the Kyrgyz Republic. Currently, appropriate changes to the Regulation are being developed by IBC representatives – members of the Council.

3. Methodological Council Meeting dated December 4, 2015 which considered the VAT issues while export-import of goods within EEU for members of FEZ, identification of the royalties tax base for manufacturers of construction materials, etc.

The IBC actively participates in the Methodological Council's activity providing its recommendations to the draft laws and regulations. The IBC representatives – members of the Methodological Council provide their expert opinion on each meeting and make contribution to professional and objective consideration of the issues discussed.

### **2.10 Working Group on Changing the Frequency of Accounting Tax and Social Security Contributions Reporting and Payment to the Social Fund and State Tax Service**

IBC Deputy Executive Director was the member of this Working Group. Its task was to consider the possibility of changing of accounting tax and social security contributions payment frequency to the Social Fund and State Tax Service and give recommendations on practicability of such a change.

The Working Group meeting was held on March 5, 2014. As a result of the meeting certain instructions were given to the working groups' members to consider simplification and unification of tax and social security contributions accounting.

Later the Ministry of Economy continued working on the issue. The Government adopted the Regulation No. 602 "On the Draft Law of the Kyrgyz Republic "On Additions and Amendments to the Tax Code of the Kyrgyz Republic" dated October 16, 2014 on reduction of frequency of tax accounting and sent it to the Parliament. At the moment the draft law was adopted by the Parliament and later on signed by the President. The law entered into force in July 1, 2015.

Adoption of the law significantly reduced costs of entrepreneurs (especially of small and medium-sized businesses and non-profit organizations) for tax reporting, since the normative document establishes quarterly intervals for reporting (instead of monthly as it was previously).

The work on the Social Fund's issues was continued within another working group (see below).

### **2.11 Working Group on Development of Amendments to the Tax Code with regard to Desk Audit and other Tax Audits**

In summer 2015, IBC together with Association of Suppliers sent a joint letter to the Ministry of Economy and requested to initiate amendments to the Tax Code with regard to different types of Tax Audits, such as: Desk Audit and Raid Tax Control.

Although the Working Group formally was created in December 2015 its activity started in the beginning of October.

There were held three meetings of the Working Group. Later on, there was drafted quite a new Regulation on Desk Audit. However, IBC representatives are against such a separate normative act and actively suggest including all norms regulating tax relations in one document – Tax Code.

IBC nominated its lawyer Ulukbek Turdubekov and the Chairperson of the IBC Tax, Customs and Social Fund Committee Yulia Abdumanapova (Baker Tilly Bishkek LLC) to participate in the Working Group.

### **2.12 Working Group on Development of Amendments to the "Regulation on Application of Double Taxation Avoidance and Prevention of Tax Evasion on Income and Capital Agreements concluded by the Kyrgyz Republic with Foreign States"**

The main purpose of the Working Group is elaboration of effective and development of appropriate amendments to the legislation of the Kyrgyz Republic with regard to application of the norms on double taxation avoidance agreements.

There were held four meetings of the Working Group in 2015. As the result of meetings, there was a Resolution drafted on introduction of certain amendments to the contemporary normative legal acts. The draft Resolution will be considered by the Methodological Council for Coordinating Fiscal Policy under the Ministry of Economy of the Kyrgyz Republic in summer 2016.

IBC is represented by the Chairperson of the IBC Tax, Customs and Social Fund Committee Yulia Abdumanapova (Baker Tilly Bishkek LLC), the member of the IBC Committee Maksim Smirnov (Kalikova & Associates Law Firm LLC) in the Working Group.

### **2.13 Working Group on Development of Amendments on Introduction of Labor Market Relations to the Labor Code**

Vast majority of the private sector representatives claim that the current labour legislation is employee oriented; there are many norms which harm the interest of the employer and protect the employee. Therefore, there was created a Working Group under the Ministry of Economy of the Kyrgyz Republic to elaborate and develop effective mechanisms which will balance the interests of both parties.

There were held several meetings of the Working Group with participation of different business associations, Federation of Trade Unions of the Kyrgyz Republic and different state bodies in 2015. Ultimately, the Law on introduction of amendments to the Labour Code was drafted. The draft bill suggests the following amendments: allows employment for different types of work based on fixed-term employment contract; introduces the concepts and gives definition of "professional training", "continuous professional training", "technical training", "internship", "professional qualification contract". The draft bill was approved by the Government and submitted to the Parliament by December 2015.

### **2.14 Working Group on Drafting the International Agreements on Elimination of Trade Barriers with the Third States – nonmembers of EEU**

There was a necessity to harmonize the legislation of the Kyrgyz Republic with the general requirements of the Eurasian Economic Union, since Kyrgyzstan's accession to it. Hence, there was created a Working Group which had to draft the following two international agreements (on behalf of the Kyrgyz Republic): International Agreement on Elimination of Trade Barriers with the Third States – nonmembers of EEU and International Agreement on Implementation of Technical Regulations of the EEU.

There were held two videoconferences of the Working Group with other working groups of EEU members in 2015. The participants of the meetings discussed some specific norms of the prepared drafts agreements and gave their comments and suggestions. At the current stage, all drafts are finalized and their ratification is planned for the summer 2016.

IBC was represented by lawyer Ulukbek Turdubekov and Zhanyl Abdrahmanova (Colibri Law Firm LLC) in the Working Group.

### **2.15 Subsoil Use Licensing Commission under the State Agency for Geology and Mineral Resources under the Government of the Kyrgyz Republic**

IBC Mineral Resources Committee Chairman Maksat Kobonbaev (Z-Explorer LLC) had been representing IBC at this Commission.

In 2015 the Commission received 1,186 applications for obtaining licenses for subsoil use rights, held 58 meetings where 3,125 items have been considered, which is 24,7% more than those considered in 2014, including:

- 1,297 applications for obtaining subsoil use rights;
- 1,828 applications concerning existing (issued) licenses.

There were 231 licenses postponed and 180 – nullified in 2015.

As a Commission member, IBC representative contributed to securing lawfulness and fair consideration of subsoil users' (including IBC members) applications at the Commission meetings.

## **2.16 Working Group on Drafting Resolutions on Introduction of Amendments to Resolutions of the Government on Harmonization of the Legislation with adoption of the Law “On Compulsory Insurance of Civil Liability of Auto Owners”**

The Kyrgyz Republic has recently adopted two important laws in the sphere of insurance (insurance of the civil liability of automobile owners and insurance of housing from fire and other natural disasters). Therefore, there appeared a need to harmonize the new normative legal acts with the contemporary legislation. The appropriate public authority created two working groups on each of the laws mentioned; IBC members participated in the working on insurance of the civil liability of automobile owners.

The Working Group conducted several meetings and the Government Resolution on amendments to some legal acts was drafted.

The draft Resolution is under consideration of the Government Office; it is expected to be approved in the middle of April 2016.

IBC nominated Valery Khagai (Jubilee Kyrgyzstan Insurance Company CJSC) to participate in the activity of the Working Group.

## **3. IBC Sub-committees and Participation in the Legislative Process**

### **3.1 IBC Mineral Resources Committee (MRC)**

Six Committee meetings have been held during the reporting period where the following issues were considered:

- Progress in introducing the Extractive Industries Transparency Initiative (EITI) in the Kyrgyz Republic, reporting standards under EITI;
- Draft Regulations on the Order of Paying and Calculating the License Withholding Payments for Subsoil Use;
- Draft Governmental Regulations providing for 2, 5 and 10-fold increase in the rates of license withholding payments for subsoil use;
- Initiative on increasing the rates of bonuses for mineral resources and rates of license areas' bonuses;
- Changing the order of calculating the rates of payments for environmental pollution;
- Rules of inbound/outbound movement of ores, concentrates and waste containing precious metals and foreign metal impurities to/from the Kyrgyz Republic;
- Draft Method of calculating the excessive losses of mineral resources while processing thereof;
- Introducing the JORC Code draft of mineral resources classification for the Kyrgyz Republic (that is to eventually replace the existing GKZ standard);

- Initiating the changes to the legislation aimed at simplifying the procedure of land plots' transformation for subsoil users;
- Introducing changes to the Order of inbound/outbound movement of concentrates and waste containing precious metals with respect to the membership of local inspection laboratories in IFIA;
- Draft Regulations on reclamation of lands affected as a result of subsoil use and the draft of relevant changes to the Law on Subsoil;
- Issues that subsoil users face with regard to VAT credit;
- Draft Rules of issuing permits for cutting the outstanding fine wood in the Kyrgyz Republic;
- Creating the legal framework and improving the activity of regional development funds.

Apart from that, the Committee Secretariat (IBC staff) had permanently been disseminating the draft laws, regulations and other appropriate information IBC received, as well as collecting, generalizing and sending the comments and proposals to relevant state agencies.

We would like to also draw your attention to the following success stories of our Committee for this year.

### **Presidential veto to the Law on introducing export customs duties on ores and concentrates**

Since November 2012, IBC has been opposing the idea of introducing export customs duties on ores and concentrates of precious metals. We continued to do that in 2015 as well.

On March 24, 2014 the Parliamentary Committee on Fuel, Energy and Subsoil Use received the Ministry of Economy's information, took account of the Ministry of Justice's contrary opinion as well as the comments and proposals of IBC members and decided to drop the draft ordinance in question and instruct the Government to consider this kind of measures after completing the construction of a gold processing plant.

On March 3, 2014 a similar draft law was put forward for public discussion by a group of Jogorku Kenesh MPs and the relevant Parliamentary Committee recommended that it is not worthwhile to pass this bill. However, the draft law passed three Parliamentary hearings and was adopted. Later on, as a result of joint efforts by IBC and its partners, Ministry of Economy, Government's Office this bill was vetoed and returned for Parliamentary consideration by the President. Parliament agreed with the President's objections.

### **Blocking the initiative of raising the rates of license withholding payments and bonuses**

In 2014-2015 State Agency for Geology and Mineral Resources under the Government initiated changes to the law providing for 2, 5 and 10-fold raising the rates of license withholding payments for subsoil use and rates of bonuses.

IBC members reviewed these draft changes in May-August 2015 and provided their well-grounded comments and proposals opposing this draft law. In July-August 2015 a working group consisting of IBC experts, Economy Ministry, Ministry of Finance, State Agency for Geology and Mineral Resources, State Tax Authority assessed the pace and amounts of license withholding payments, bonuses due, changes in world commodities prices, as well as other data. As a result of numerous subsequent discussions, the

working group concluded that it is not worthwhile to increase the rates of license withholding payments for exploration and the rates of bonuses. To address the problem of inadequately negligible amounts of license withholding payments for some subsoil users, the working group recommended setting minimum amounts of payments for each type of subsoil use so that total amount could not go below them. In August 2015 these recommendations were endorsed after continuous discussions at the Consultative Council for Subsoil Use Policy Coordination under the Ministry of Economy. As a result, there were no soaring raises in rates for license withholding payments and bonuses.

### **Introducing a transition period in regulating the inbound/outbound movement of concentrates**

After the Order of inbound/outbound movement of ores, concentrates and waste containing precious metals and foreign metal impurities to/from the Kyrgyz Republic was adopted on July 9, 2015, mining companies faced a challenging situation. Only one inspection agency happened to be corresponding to all the criteria set by the law for analyzing ores, concentrates and waste above. This caused additional spending and other risks that mining companies should address. As a result of numerous IBC letters and talks at the Economy Ministry and Government Office, the Order in question was partly suspended in terms of membership in the International Federation of Inspection Agencies (IFIA). Accordingly, for the time being mining companies got a choice of at least two firms to order laboratory analyses from.

### **3.2 IBC Tax, Customs and Social Fund Committee** (from the beginning of 2016 renamed into IBC Committee on Fiscal Policy)

Nine Committee meetings have been held during the reporting period where the following issues were considered:

- Inappropriate implementation of the article 81 of the Tax code by Tax Service inspectors with regard to refund of excessively paid tax amount;
- VAT refund mechanism for gold mining companies;
- Draft Fiscal Policy Framework for 2015-2020;
- Integration of tax debts during merger of companies;
- Violation of taxpayers' rights and taxpayers' presumption of innocence;
- Article 142 of the Tax Code – correlation of the tax sanctions to financial indicators of the company for the previous year;
- Implementation of the international agreements on avoidance of double taxation where Kyrgyzstan is a party to;
- Amendments to the Tax Code with regard to taxation of big companies' income;
- Initiative of the Social Fund on tightening the accountability on social insurance payments;
- Administration of taxation and tax accountability by Regional Tax Services;
- Taxation peculiarities of companies conducting different types of commercial activity (construction, food industry, international logistics, etc.)
- And many others.

Apart from that, the Committee Secretariat (IBC staff) had permanently been disseminating the draft laws, regulations and other appropriate information IBC received, as well as collecting, generalizing and sending the comments and proposals to relevant state agencies.

We would like to also draw your attention to the following success stories of our Committee for this year.

### **Participation on the activity of the Methodological Council for Fiscal Policy Coordination under the Ministry of Economy**

Since September 2014 the IBC Executive Director, Committee Chairperson Yulia Abdumanapova (Baker Tilly Bishkek LLC) and Deputy Chairperson Gulnara Uskenbaeva (Suppliers' Association) are members of the Methodological Council for Fiscal Policy Coordination under the Ministry of Economy. More information on the activity of the Council see above.

### **Improvement of electronic reporting forms for the representatives of different sectors**

The Tax Service initiated transformation of the tax accounting/reporting into electronic form for representatives of the private sector. The initiative was approved and formally legalized in October 2015.

However, the program developed by the public authority did not consider and took into account peculiarities of different types of commercial activities (and reporting peculiarities on them). Hence, vast majority of different commercial entities could not implement their tax accounting obligations because of the improper program.

IBC arranged a meeting with the management of the State Tax Service with participation of several companies – initiators of the issue. Aftermath, IBC collected comments and recommendations from its members and initiated amendments/improvements to the program, so IBC members could properly submit their electronic accounting reports.

### **3.3 Committee on Sustainable Development and Corporate Social Responsibility**

The Committee was created in 2011 for setting up of an equitable dialogue and cooperation of business community with large community segments and stakeholder groups with the purpose of settlement of business challenges on social, economic and ecological problems and strengthening the recognition of the role of Kyrgyzstan private sector in country's development. The main purpose of the Committee is to strengthen the image of the commercial sector as an active participant of the sustainable development process in the state.

The Committee together with the UNDP in Kyrgyzstan organized and performed a roundtable "The Role of Business in Sustainable Development" in December 2015. The roundtable was attended by Alexander Avanesov, UNDP representative in the Kyrgyz Republic, representatives of EBRD, Ministry of Economy, Investment Promotion Agency under the Ministry of Economy, and other organizations (including private sector) who shared their experience on conducting their activity in a manner appropriate to sustainable development.

The participants of the event also discussed the 17 UN Sustainable Development Goals, facilitation of Public-Private-Partnership in the state, EBRD programs on renewable energy resources, etc. The materials of the roundtable are available [here](#).

### **"Business and Sustainable Development" conference**

IBC Committee, UNDP and CSR Central Asia Corporate Development Agency held a conference "Business and Sustainable Development". More than 80 people representing approximately 30 IBC member and non-member companies and government representatives took part in the event. Presenters were international experts from

Kazakhstan, Kyrgyzstan, Russia, Turkey, Switzerland, and other countries. Participants discussed best business practices in the new economic conditions with regard to sustainable development. They also acquainted with international and national experience in developing of public partnership mechanisms, and the best practices of the private sector initiatives implemented jointly with the local communities.

### **3.4 Human Resources Committee**

IBC Human Resources Committee's basic activity areas are:

- Co-operation with educational sector;
- Affecting the process of reforming the labor legislation;
- Assisting the standardization and certification of HR specialists;
- Establishing a platform for discussion of the important HR issues.

IBC together with EI Group Consulting conducted an HR-breakfast in November 2015. The HR-breakfast discussed topics on HR issues faced by business in the time of crisis. The organizers of the event presented "The results of the interim study of wages and compensations, 2014" and "Recruiting research on the labor market of the Kyrgyz Republic".

### **3.5 IBC Committee on Intellectual Property**

IBC Committee on Intellectual Property was established in 2013. It was initiated by an IBC member, "ARTE" Law Firm whose Director Saodat Shakirova was elected as the Chairperson of the Committee. The purpose of the Committee is to form and develop intellectual potential of domestic business and increase competitiveness of the Kyrgyz economy.

The Committee actively cooperates with the State Service for Intellectual Property and Innovations under the Government of the Kyrgyz Republic on improvement of the legislation of the Kyrgyz Republic on intellectual property.

In 2015, the Committee discussed the draft amendments to the Criminal, Criminal Procedure, Criminal Executive, Civil Procedure Codes of the Kyrgyz Republic, the draft Code on Misconduct, the laws "On Enforcement Proceedings and the Status of Judicial Executors in the Kyrgyz Republic", "On Guaranteed Legal Assistance by the State" initiated by the deputies of the Jogorku Kenesh with regard to violation of intellectual property rights. The comments of the Committee members were collected and sent to the Parliament.

Furthermore, the Committee Secretariat (IBC staff members) have been sending out the draft laws, regulations and other relevant information concerned to IBC members, as well as collecting, systematizing and sending the comments and proposals received to appropriate state agencies.

### **3.6 IBC Committee on Construction** (from the beginning of 2016 renamed into Committee on Real Estate and Construction)

The Committee on Construction was created in June 2015 by requests of IBC members. As shows the practice, almost all companies conducting construction activities face difficulties in relations with public authorities, especially while getting permitting documents.

The Committee consists not only of construction companies, but also experts of organizations in different spheres (law firms, audit organizations, mining companies, etc.).

There were held two meetings of the Committee in 2015. The members of the Committee discussed the problems of communication providers while getting permitting documents for construction of small objects (more information on this issue see above); cooperation of universities and educational organizations with the construction materials producers and manufacturers.

Apart from that, the Committee Secretariat (IBC staff) had permanently been disseminating the draft laws, regulations and other appropriate information IBC received, as well as collecting, generalizing and sending the comments and proposals to relevant state agencies.

We would like to also draw your attention to the following success stories of our Committee for this year.

### **Initiating the Government Resolution on Parallel Design and Construction of Facilities**

IBC together with the JIA Business Association sent a joint letter to the Prime Minister of the Kyrgyz Republic with a request to take urgent measures on overcoming the crisis in the construction sector by allowing construction companies to conduct parallel design and construction of facilities.

After several meetings the Government developed and later on adopted Resolution № 493 of 14 July 2015 "On Approval of the Temporary Regulations on Parallel Design and Construction of Facilities on the Territory of the Kyrgyz Republic, and Development and Approval of Bishkek Building Blocks Documentation". All construction companies work basing on this document. This Resolution significantly reduced costs of companies for conducting their activities.

### **Organization of a platform for dialogue between universities/educational organizations and the construction materials producers and manufacturers**

IBC organized several meetings with the participation of universities, educational organizations and centers (which prepare experts in the sphere of construction materials) and companies dealing with the construction materials (producers, manufactures, builders). The main purpose of those meetings was establishment of partnership relations between the two parties to identify the needs of the labor market in the current sector.

### **Participation on the activity of JIA Business-Association Construction Committee**

IBC lawyer Ulukbek Turdubekov actively participates in the activity of JIA Business-Association Construction Committee which consists of more than 40 construction companies.

IBC together with JIA succeeded in postponing the Order of the Mayor's Office № 100 which prohibited construction companies to conduct any land works for the period from October 2015 till April 2016.

By joint efforts, the two Associations organized an extended meeting with the Prime Minister of the Kyrgyz Republic on issues of the construction sector. The Prime Minister gave appropriate orders on different issues, such as: simplification of the procedure on getting permitting documents for construction activity; problems of the companies while accessing the object to utilities (especially electricity), etc. The orders are still being implemented by appropriate public authorities.

### **3.7 IBC Tourism Committee**

IBC Tourism Committee activated its meetings in summer 2015. The Committee consists of HoReCa companies and other organizations providing tourism services.

The main purposes of the Committee are promotion of Kyrgyzstan brand awareness, increase of tourism attractiveness, creation of good environment for tourism prosperity and contribution to formation of state tourism policy through participation in different working groups.

The Committee had three meetings in 2015 which discussed the following issues:

- Draft Tourism Development Framework;
- Increase of visa-free regime;
- Adoption of open skies;
- Measures on promotion of Kyrgyzstan brand awareness;
- Standardization of hotels' classification;
- Other issues in the sphere of tourism.

We would like to also draw your attention to the following success stories of our Committee for this year.

### **Partial adoption of open skies regime**

Chairman of IBC Tourism Committee Stiphan Beher and IBC lawyer Ulukbek Turdubekov actively participated on meetings to discuss the possibility of adoption open skies policy in the Kyrgyz Republic. The meetings were attended by heads of relevant government agencies (Director of Civil Aviation Agency under the Ministry of Transport and Communications and Director of the Tourism Department under the Ministry of Culture, Information and Tourism), representatives of the Economy Ministry and Ministry of Transport and Communications, heads of private companies operating in the tourism sector (Kyrgyz Concept and Air Kyrgyzstan) and representatives of tourism associations. It was agreed that it is necessary to introduce the open skies policy; however, some participants insisted on adopting the policy with limitations. It was proposed to adopt the fifth and sixth degree of open skies. Representatives of state bodies proposed to define a number of countries for which the fifth and sixth degrees will be opened, meanwhile the representatives of the private sector proposed to apply this policy to all countries. This issue will be discussed at the next meeting of the Business Development and Investment Council under the Government of the Kyrgyz Republic.

### **Participation in drafting Tourism Development Framework of the Kyrgyz Republic for 2016-2020**

Chairman of IBC Tourism Committee Stiphan Beher and IBC lawyer Ulukbek Turdubekov actively participated in the Working Group on drafting the Tourism Development Framework. More details about the activity of the Working Group mentioned above.

### **3.8 IBC participation in the business community's appeals to the top management of the country**

The IBC took part in the business community's appeals on the following issues:

- Appeal against the amendments into the Land Code with regard to reduction of the land use period of different types of land (territories of cities and other settlements and lands for agricultural purpose). As the result of the appeal, the draft bill was postponed;
- Appeal against the draft bill "On Labeling Goods with Control Marks". As the result of the appeal, the draft bill was postponed during the hearings in the Economic and Fiscal Policy Committee of the Parliament;

- Appeal on liquidation of the Employees Rehabilitation Fund. As the result of the appeal, in November 2015, there was drafted and submitted to the Parliament a legal document which suggests liquidating the Fund.

## **4. Corporate Development**

### **4.1 IBC Members**

By the end of 2015 IBC united 115 members, including 81 Corporate, 19 Associate and 15 Honorary Members. You can find the list of IBC members in the Annex 3.

In 2015 18 new organizations joined IBC:

1. Branch of Robust Recourses (Tengri Resources) in Kyrgyzstan – Corporate category A;
2. Elite-House LLC – Corporate category A;
3. Most Group LLC – Corporate category C;
4. Kyrgyz-Swiss Bank CJSC – Corporate category C;
5. South Kyrgyz Cement CJSC – Corporate category C;
6. Branch of Plasform Ambalaj Sanayi ve Ticaret A.S. in Free Economic Zone Bishkek – Corporate category C;
7. Sonora LLC – Corporate category D;
8. PricewaterhouseCoopers Bishkek LLP – Corporate category D;
9. Ijara Company Kyrgyzstan CJSC – Corporate category D;
10. Kyrgyz Concept LLC – Corporate category D;
11. Ernst & Young LLC – Corporate category D;
12. Ansar Accountants LLC – Corporate category D;
13. InterConsult LLC – Corporate category D;
14. Silk Route Tourism LLC (Golden Tulip Bishkek Hotel) – Corporate category D;
15. Xinghua International Mining Company LLC – Corporate category D;
16. Kasparov Chess Foundation in Central Asia – Associate;
17. UN World Food Program – Associate;
18. Overseas Projects LLC in the Kyrgyz Republic (USAID Busines Growth Initiative) – Associate.

### **4.2 Investment Now IBC Magazine**

The Investment Now 2015 issue was dedicated to the IBC 15<sup>th</sup> anniversary and the history and development of the business association. "The Government and the business community have a common goal - to make Kyrgyzstan a country favorable for doing business," Prime Minister of the Kyrgyz Republic said in his congratulation greetings message.

The magazine informs on the IBC mission, its goals and objectives, structure, success stories and participation in a variety of Kyrgyzstan's committees, councils and commissions. The IBC activities are graphically presented in figures and diagrams.

According to Eduard Rausch who was among the IBC founders, a small group of foreign investors created a business club in 2000 to jointly promote their ideas to improve the investment climate in the newly independent republic. The organization developed, involving more and more members. IBC expanded the scope of its activities and increased its influence and authority.

IBC is now among the largest non-profit organizations that influence public policy in the economy and business, and it is a member of more than 20 sites to create favorable conditions for business.

The magazine contains articles about the activities of the IBC member companies, both its old members and young developing enterprises.

Kumtor Gold Company, one of the IBC founders, is the largest taxpayer in the country. The company paid more than \$123 million in taxes and other compulsory payments in 2015 only.

Kazakhstan's largest investor, KAZ Minerals Bozymchak, is developing a copper and gold deposit in the Alabuka district in the south of the country. It is the first project of the KAZ Minerals Group outside Kazakhstan.

Manas Resources Limited is one of the largest active gold explorers in Kyrgyzstan. The company discovered the Shambesai gold deposit in 2007, the only gold deposit discovered since independence.

Founded in 2001, the Kyrgyz Investment and Credit Bank (KICB) was awarded with many international awards and nominations.

Insurance Company "Kyrgyzstan" was founded in 1991 and is now among the leading companies in the national insurance market.

KPMG is among the Big Four of the world's largest companies providing audit and consulting services. KPMG has been working in Kyrgyzstan since 2003.

Manas Management Company (MMC) provides catering services for passengers of the Manas International Airport. MMC has been operating in Kyrgyzstan's market for more than 15 years. It is the only company licensed and certified for such activity.

Kalikova & Associates is among the leading law firms in Kyrgyzstan specializing in Business Law. K&A was among the first to initiate a process aimed at improving and simplifying the procedures for doing business in Kyrgyzstan.

Muza LLC, founded in 1991, is a DHL agent in Kyrgyzstan. For over 20 years the company has been maintaining its status as one of the leading companies in Kyrgyzstan and the leader in the express delivery and transportation market.

Construction companies - Elite House, Borsan Construction and Mega Stroy operate not so long in the domestic market but have already become leaders for the quality and timing of construction. The companies' strategy is focused on the use of advanced technologies and materials.

Ijara Company Kyrgyzstan CJSC is the first and only company offering leasing services in accordance with Islamic finance principles.

The magazine published the IBC investment survey which helps better assess the investment climate and business environment in the country and identify problems faced by domestic and foreign investors.

There is also a photo essay on the IBC anniversary event held on December 11, 2015 at the Hyatt Regency Bishkek.

The IN magazine was published in Russian and English. The first IN issue was published in 2004.

In addition to the anniversary issue, IBC developed concepts and drafted articles for two more issues of the magazine on the themes "Youth and education in Kyrgyzstan" and "Regulatory reform in Kyrgyzstan" but due to the lack of funding they were postponed to the next year.

### **4.3 The IBC Investment Survey**

In 2015, IBC continued improving its traditional investment survey (design of charts and graphs, and questions) which is an important tool for the analysis of the business environment in Kyrgyzstan. IBC conducted one survey; the main conclusion of the study is that corruption is the main reason hindering further development of the private sector and the economy as whole. The IBC Board thanks everyone who participated in the survey and calls for more active involvement in the following events of that kind.

The results of surveys are published in the Investment Now magazine and posted on the IBC website (the results of all surveys are available [here](#)). The survey is conducted since 2004.

### **4.4 Website**

In 2015, IBC developed new version of the website, which is currently available on three languages (Kyrgyz, Russian and English). It contains separate section which is available only for IBC members and many other additional functions.

The IBC website ([www.ibc.kg](http://www.ibc.kg)) contains information on legislation of the Kyrgyz Republic including draft laws, analytical articles and expert opinions. The IBC products posted on the site included quarterly investment survey, newsletters, such as IBC Law Review, Tax Alert, IBC Events and IBC Weekly News. The site also provided news on the latest developments in the business sector, as well as news about IBC members and partners. The website provides information about business conferences and events in Kyrgyzstan and neighboring countries. The IBC members actively participated in the "Analysis" and "Expert Opinion" sections. Publications are available in all three languages, updated on a regular basis and available for the general public.

### **4.5 IBC Weekly News**

In 2015, IBC continued to issue the Weekly News bulletin about IBC events and activity, and announcement of the most important events of the upcoming week. The Weekly News is distributed via email to all IBC members. IBC members can request more detailed information on published news. IBC considers the Weekly News bulletin a good tool to cover IBC initiatives, achievements and upcoming events.

The first Weekly News bulletin was issued in October 2008.

### **4.6 IBC Law Review**

IBC Law Review bulletin was released by the IBC since 2000 in order to inform entrepreneurs about the latest legislative initiatives in the Kyrgyz Republic.

The IBC makes all efforts to provide its members with relevant information about forthcoming changes in laws in advance.

In 2015 the IBC monthly issued the bulletin in which the most important changes of the legislation and draft laws and regulations were expressed:

- Draft bill on amendments to some normative legal acts with regard to introduction of the institute of "Board of Directors" in LLC organizational forms of legal entities;
- New Law "On Payment System in the Kyrgyz Republic";
- Amendments to the legislation with regard to introduction of stabilization clause regime for investors;
- Draft Resolution "On Approval of the Tourism Development Program for 2015-2017";
- Draft Budget Code;
- Draft City-Planning Code;

- Draft Resolution “On Approval of the Customs Service Development and facilitation of foreign economic activity of the Kyrgyz Republic for 2015-2017”;
- Draft Resolution with regard to transformation of Bishkekglavarchitekturat to the competence of Bishkek Mayor’s Office;
- New Law “On Public Procurements”;
- Draft Law “On mediation”;
- Draft Code “On Nontax Income”;
- Draft Resolution “On Approval of Fiscal Policy Framework of the Kyrgyz Republic for 2015-2020”;
- Draft bill “On National Holding Companies”;
- And many others.

#### **4.7 Tax Alert**

In 2015, IBC together with the Baker Tilly Bishkek LLC continued issuing the monthly information bulletin Tax Alert in which the most important changes of the tax legislation and draft laws and regulations on taxation were expressed. The information bulletin contained such topics as the following:

- Introduction of a special tax regime for companies conducting construction activities;
- Import of banking equipment, including ATMs, POS and POS terminals, bank kiosks, is exempt from VAT until 31 December 2017;
- Increase of tariffs for public social insurance;
- Amendments to the Tax Code with regard to elimination of sales tax for the companies paying VAT (with exception to gold mining companies, banks, and communication providers);
- Ratification of Double Taxation Avoidance Agreement of the Kyrgyz Republic with Qatar;
- Draft amendments to the legislation with regard to elimination of sales tax for companies conducting their activities in the regions of the state;
- Draft amendments to the Tax Code with regard to simplification of tax reporting for small and medium-sized businesses (adoption of quarterly reporting instead of monthly as it used to be);
- Resolution of the Government which established new forms of tax reports;
- And many others.

#### **4.8 Executive Team**

In 2015 the IBC staff members were as follows:

1. IBC Executive Director – Aktilek Tungatarov (January – May), Temirbek Azhykulov (May – December);
2. Deputy Executive Director – Askar Sydykov;
3. Chief Editor of the "Investment Now" magazine, Media Relations Manager – Lidia Savina;
4. Corporate Affairs Manager – Asel Bogombaeva (January – May), Minara Imanbekova (May – December);
5. Initiatives Manager – Meerim Matkulova;
6. Financial Manager / Chief Accountant – Raida Mirzaeva;

7. Lawyer – Sultan Khalilov (January – August), Ulukbek Turdubekov (September – December);
8. Information Technologies Manager – Vasiliy Toropchin.

#### **4.9 Office**

IBC is located in the offices 113-114 in “Hyatt Regency Bishkek” hotel (191 Abdrakhmanov Street, Bishkek).

### **5. IBC Project Activities**

In addition to the main operational and institutional activities, IBC has always been involved in the implementation of projects with the support of international development or donor organizations. Below is an overview of projects that were/are fully or partially implemented by IBC.

#### **5.1 Promoting internships (USAID Collaborative Governance Program)**

While internships can add great value to students’ professional, personal and academic pursuits; internships in the Kyrgyz Republic are not taken as serious as desired in that often an internship exists “on paper” rather than actually materialize into a win-win cooperation between the organization and student to help tie students’ academic learning to the real-world experience. Local universities have not fully adapted to the demands of a market economy and established effective relationships with the private sector that provide better services to their students and help to prepare them for their professional futures.

To this end IBC partnered with an Association of Legal Entities "JIA" and EdNet in order to strengthen select university career centers and cooperation private businesses’ human resource units’ capacity for establishing effective and progressive internship programs.

**Project goal:** To revitalize, promote, and increase the demand for high-quality internships among university students. Further, through the establishment of such internships, to aid in strengthening the capacity of all stakeholders to promote the establishment of a legal regulatory framework that provides incentives for businesses to attract and support student internships within their organizations.

Strengthening the capacity of at least 5 university career centers to facilitate valued internship services for students was done through the following activities:

- Conducted 4 trainings and capacity building activities delivered by IBC, Association of Legal Entities "JIA", and EdNet to 10 university career center staff on facilitating career development programs
- Organized a mini-exchange program among career centers, which lead to the establishment of a network of career centers in Bishkek led by the American University in Central Asia.
- Organize at least 4 trainings and 5 company tours for over 500 university students to motivate and guide them in their career development.
- Mentored university career centers through one on one meetings.
- Invited student led organizations to present at the IBC open meeting and share best practices
- Set up an internship program at IBC and JIA and approximately 40 students went through the internship program and over 50 students got one of one mentoring on career development, resume writing and interviewing.

Enhancing co-operation between the private sector and universities was done through the following activities:

- One-on-one meetings with government officials or university representatives highlighting the information on:
  - 1) importance, key factors for success, and challenges of university internships;
  - 2) roles of key stakeholders and ways to make their participation more effective and efficient;
  - 3) current methodology for internship assessment, monitoring, and evaluation;
  - 4) possible platforms to improve cooperation between all stakeholders; and
  - 5) call for active participation in the project.
- Conducting video interviews with select stakeholders to post online on the importance of internships.
- Conducting two round tables, with the participation of high level government officials and representatives of the business community about the important of public private cooperation to address the issues of insufficiency of qualified personal in Kyrgyzstan.

University-based models were developed for use in assessment, monitoring, and evaluation of the internship program via following activities:

- Conducting an assessment of current processes related to student internships; i.e., establishment of internships and then monitoring and evaluation of the processes.
- Strengthening the capacity of the select private businesses' HR departments through carrying out facilitated group discussions on the challenges of implementing internship programs. Four facilitated group discussions were carried out in Bishkek and Osh.

## **5.2 Construction Materials Value Chain Analysis (USAID Business Growth Initiative)**

IBC, JIA Business Association and research institute "Serep" have formed a consortium in response to USAID Business Growth Initiative (BGI) call for proposals for conducting a value chain analysis in construction materials sector and have won the opportunity to conduct the study.

BGI sought to acquire current and comprehensive information about the construction materials value chain (s) that can adequately inform the project about the present state of the industry information through a comprehensive analysis of the construction materials value chain (s) that was to provide a clearer understanding of the industry and guide the project's future work in the value chain. Team comprised of two firms: one local firm, or in this case our consortium and one international firm, SSG, that worked together and, in close collaboration with BGI's value chain experts defined and structured the construction materials value chain (upstream and downstream), identified and analyzed actors/stakeholders, mapped and quantified the activities within the value chain by actor and, cumulatively, identified and analyzed stakeholder interests and prioritized sector wide constraints. BGI attaches significant emphasis to the capacity building of the selected local partner in this value chain study.

In order to reach the goals set above the team formed three task groups to:

### **Conduct a desk review of statistical – sectoral data**

- Collect statistical data about the sector;
- Describe and analyze trends of supply and demand;

- Describe and analyze drivers of supply and demand in construction/construction materials sector;
- Describe environmental drivers especially in terms of energy efficiency and anti-pollution initiatives;
- Collaborate with the international firm to prepare and analyze value chain map that illustrates flow of materials, goods, people, and money through horizontal and vertical linkages between actors in the construction materials value chain from producers, suppliers, sellers, etc to final consumer;
- Analyze and summarize legislative/regulatory laws and rules that govern the construction sector.

**Preparation of CM Stakeholders Database** - intended to identify and define the stakeholders in the construction materials value chain. The types of stakeholders that were included are CM firms consisting of trade associations, government agencies/departments (central and regional), producers (CMs, equipment, finished goods), sellers (agents, distributors, retailers), customers (could be the sellers and construction project contractors), service providers, and tradesmen. The database served as the source for selecting stakeholders to be included in the stakeholders' interviews and analysis under task group 3.

**Stakeholders' Interviews and Analysis** - The stakeholder analysis (SA) was a key element of the value chain study. The objective of this task group was to identify and analyze stakeholder interests and prioritize company and sector-wide constraints, which would help BGI to understand their potential influence on the project and shape future interventions over the life of the project.

### **5.3 Systematic Regulatory Review (OSCE)**

The OSCE Centre in Bishkek (CiB) in 2015 will continue implementation of the project, which was launched in April 2014 to assist the Government of Kyrgyzstan in undertaking a program of reforms to improve its governance of private economic activity and reduce corruption. This will be achieved by removing unnecessary regulatory barriers to business and by simplifying administration so as to reduce opportunities for corruption. This program of reforms will have two dimensions: a multi-year component aimed at a regulatory governance reform through a bottom up review of the existing regulations, henceforth the Systematic Regulatory Review (SRR) of the selected policy areas which have the highest economic impact.

The main project objective of IBC and OSCE cooperation under this project was to receive comments and suggestions from the business community on the legislative acts that are being revised in the frame of OSCE's System Regulatory Reform project. As part of the given project, IBC will engaged its current staff and hired additional consultants in order to:

- Support OSCE in providing involvement from all stakeholders and mainly from the government bodies and the business community;
- Conduct an assessment of the legal framework, based on the information provided by the ministries;
- Actively participate in the preparation of necessary tools for SRR projects successful implementation;
- Organize platforms for collections of comments and suggestions for all stakeholders, such as round tables, conferences and one-on-one meetings;
- Develop recommendations in regards to introducing changes to the legal framework;

- Preparing draft law and changes to legislative acts based on the recommendations provided and discussing the proposed changes with a wide range of stakeholders.

The project was carried out by two teams: a team of experts and administrative team. Expert team consisting of eight consultants.

In the spirit of providing a platform for engagement of stakeholders to enable them to provide their feedback and suggestions and for the project team to get their buy-in a number of large scale events were conducted.

## **6. IBC events**

### **6.1 Open meeting on construction materials market**

On February 26, IBC and JIA with the support of USAID Business Growth Initiative (BGI) project held a roundtable "Problems and Development Prospects of the Construction Materials Sector in the Kyrgyz Republic" as part of "Construction Materials Value Chain Study – Stakeholder Analysis" Project.

Kyrgyz MP Samatbek Ibrayev and Paul Hamlin, Economic Development Advisor of the USAID Mission in the Kyrgyz Republic, welcomed the participants. Presentations were made by Fred Levitan, Component Leader, Private Sector Competitiveness (USAID BGI), Timur Gainanov, Program Manager, Mining and Construction Materials Sector Development (USAID BGI) and Temirbek Ayykulov, Chairman of the Construction Committee of JIA Business Association.

The participants discussed conditions necessary for the development of construction materials industry in the country, as well as changes and risks related to the forthcoming accession of Kyrgyzstan to the Eurasian Economic Union. Suggestions and comments made by the representatives of the construction sector will be taken into account in the course of implementation of the project.

### **6.2 Golf Tournament**

On June 13, 2015 the 7th IBC Annual Golf Tournament was held at the Maple Leaf Golf Club. About 180 representatives of companies – IBC members and partners, representatives of government agencies and international organizations took part in the event.

The tournament is more than a pleasing encounter, it serves as a linking bridge reinforcing good friendship among colleagues and participants from the private and public sectors. Such informal events give participants a chance to get to know each other better and enlarge their business connections.

The photos from the event are available [here](#).

### **6.3 Business breakfast held by Mazars**

IBC together with the Mazars held a business breakfast "Effective management: ideas, methods." Mazars experts – managers Nurlan Dzhambankulov and Azat Kupsuldaev as well as Country Director Ludmila Dyakonova considered the issues of internal control, budgeting and tax structuring. The event was attended by general, financial and commercial directors of IBC member companies and representatives of other organizations.

### **6.4 IBC Open Meeting "Invest in Education"**

On November 18, 2015 IBC in collaboration with UNICEF and the Ministry of Education of the Kyrgyz Republic held an open meeting "Invest in Education". The meeting was

attended by the Minister of Education Elvira Sarieva, UNICEF representatives Yukie Mokuo and Raoul de Torcy and representatives of more than 80 companies, educational organizations, civil society.

More and more organizations acknowledge the importance of conducting their activities with the element of corporate social responsibility. Therefore, the main idea of the roundtable was increase of awareness of the private sector on CSR issues, especially in the sphere of education.

There were made some presentations during the event. Thus, the Minister of Education gave some general information on the current stage of the education sphere and made a presentation on success stories with regard to social projects when some representatives of the private sector invested in education.

### **6.5 Roundtable "Taxation Peculiarities within the Eurasian Economic Union"**

IBC in association with the State Tax Service under the Government and the State Customs Service under the Government held a roundtable "Taxation Peculiarities within the Eurasian Economic Union". Representatives of the two agencies told the business community about the tax rates (including VAT and excise tax) and the administration of taxes and customs fee in the EEU. The roundtable was attended by Deputy Minister of Economy of the Kyrgyz Republic Daniyar Imanaliyev, Deputy Chairman of the State Tax Service Oktiabr Abdykaimov, Head of the Customs Payments Department of the State Customs Service Zamir Niyazaliev, as well as representatives of the business community and international organizations. Oktiabr Abdykaimov reported on the main aspects of tax administration in mutual trade in the EEU. Zamir Niyazaliev told about procedures at the external borders with China, Uzbekistan and Tajikistan and the new rules of customs control. The meeting participants agreed that they will address their questions on the topic to IBC, which will systematize them and address to the relevant departments.

Materials of the event are available [here](#).

### **6.6. Bishkek Investment Forum**

On December 2, 2015 IBC in collaboration with Investment Promotion Agency under the Ministry of Economy of Kyrgyz Republic, JIA Business Association and FSDS Public Foundation held BIF 2015 - the Bishkek Investment Forum.

The event was aimed at attracting investments in small and medium-sized businesses and establishing business contacts. Hence, there were presented prospective and existing business projects which needed business partners in the forum. Leading companies and entrepreneurs participated in the event and shared their experience on business development and attraction of investment.

More information is available [here](#).

### **6.7. IBC 15<sup>th</sup> Anniversary**

On December 11, 2015, members and partners of the International Business Council gathered at the Hyatt Regency Bishkek to mark the 15th anniversary of the association.

The event participants were welcomed by IBC current leaders and its found-ers, deputies, representatives of state agencies, and business community.

IBC Executive Director Temirbek Azhykulov and Initiatives Manager Meerim Matkulova familiarized the participants with IBC activities and achievements.

Then, the guests were treated to a most varied and stimulating program of entertainment. Artists performed con-temporary music and virtuoso dancers were succeeded by komuz players, and all guests participated in a fun quiz.

The culminating point was a lottery with a variety of prizes from sponsors, IBC members.

The photos from the event are available [here](#).

## **6.8 IBC Media and PR-activity**

IBC actively cooperated with the media in 2015. To discuss issues related to the investment climate and problems faced by the IBC member companies, IBC conducted meetings with representatives of the Government and Parliament and published articles and interviews in the media, including television, radio, print and electronic media - local and foreign, as well as participated in press conferences and initiated them. This contributed to raising awareness not only among stakeholders, but also the general public.

### **6.8.1 Mass Media**

In 2015, all IBC activities were widely covered by the media - radio and television, print and on-line media, including such authoritative newspapers as Vecherny Bishkek, Slovo Kyrgyzstana, Kyrgyz Tuusu, Rossiyskaya Gazeta, Chuiskiye Izvestiya (News of the Chu province), analytical IWPR on-line edition, EurasiaNet (USA), The Times of Central Asia, and local news agencies - Kabar, 24.kg, AKIpress, Tazabek, KyrTAG, Knews, Super.kg, kloop.kg, maral.fm, topnews.kg, kabarlak.kg, and others.

IBC Executive Director and IBC committees' members participated in discussions at the national TV channel KTRK (Capital.kg analytical program), EITR, talk show "Theme (Hot Topic to Discuss)" at the NBT, "Real Economy" at the NTS (Independent TV Station), Birinchi Radio, and others.

In 2015, more than 400 analytical articles and news were published both in the local media and foreign editions. Interviews with IBC Executive Director were published by internationally renowned editions such as The Times, The Economist, BBC, the Central Asian Bureau of Analytical Journalism (CABAR), project of the Institute for War and Peace Reporting (iwpr.net), and Azattyk.

The main topics were the following: taxation within of the Eurasian Economic Union (EEU); Kyrgyzstan's future in the EEU - how to help businesses find their niche in the EEU; situation in the construction materials sector – results of a survey of construction materials value chain in Kyrgyzstan; problem of corruption; comments on the public procurement portal as a tool to reduce corruption; measures to reduce the shadow economy; negotiations on Kumtor; open sky policy; construction of the China - Kyrgyzstan - Uzbekistan railway; problems of tax and social administration; access of Kyrgyzstan's population to funding; financial literacy; reforms in the micro-credit sector; development of free economic zones; enhancing the role of business in sustainable development; changes and additions to the Tax Code of the Kyrgyz Republic.

### **6.8.2 Press Conferences**

In 2015, IBC took part in the 25 press conferences, and several press conferences were held on the IBC initiative.

Press conferences were held on the following topics: protection of property rights of private companies; prospects of Kyrgyzstan's membership in the Eurasian Economic Union; initiation of legislation in the subsoil use; changes and additions to the Tax Code of the Kyrgyz Republic; launch of the second phase of regulatory reform carried out with the support of the OSCE Centre in Bishkek; simplification of procedures for registration of private businesses; taxation system within the EEU; The State Tax Service Development Strategy for 2015-2017; changes in the Water Code and their influence on the Kumtor mine operating; sale of the Alfa Telecom CJSC (TM MegaCom) mobile operator; investment and credit policy of the Kyrgyz-Russian Development Fund; amendments to

the Labor Code of the Kyrgyz Republic; Investment Forum BIF 2015; state strategy to combat corruption, and others.

## **7. Attachments**

1. IBC Revision Commission Report for 2015
2. 2015 Balance Sheet and Cash flow
3. Membership list as of the 31<sup>st</sup> of December 2015

**Attachment 2. 2015 Balance Sheet and Cash flow**

**INTERNATIONAL BUSINESS COUNCIL**

|                             |                    |                    |
|-----------------------------|--------------------|--------------------|
| <b>BALANCE SHEET in KGS</b> | <b>31-Dec-2015</b> | <b>31-Dec-2014</b> |
|-----------------------------|--------------------|--------------------|

**ASSETS**

**1. Current Assets**

|                                     |                  |                  |
|-------------------------------------|------------------|------------------|
| Cash (1100)                         | 8 906            | 62 247           |
| Cash in bank accounts (1200)        | 2 276 270        | 1 857 421        |
| Bank deposit (1300)                 | 2 276 979        | 1 766 595        |
| Operating supplies inventory (1700) | 92 348           | 132 713          |
| Pre-paid expenses (1800)            | 486 482          | 13 391           |
| <b>Итого 1. "Current Assets"</b>    | <b>5 140 985</b> | <b>3 832 367</b> |

**2. Fixed Assets**

|                                |                  |                  |
|--------------------------------|------------------|------------------|
| Equipment (2100)               | 850 859          | 1 137 486        |
| Deferred tax payments          | 0                | 9 394            |
| <b>Total 2. "Fixed Assets"</b> | <b>850 859</b>   | <b>1 146 880</b> |
| <b>TOTAL ASSETS (1 + 2)</b>    | <b>5 991 844</b> | <b>4 979 247</b> |

**LIABILITIES**

**3. Current Liabilities**

|                                       |                |                  |
|---------------------------------------|----------------|------------------|
| Accounts payable (3100)               | 158 296        | 12 659           |
| Prepayments, Debentures (3200)        | 87 591         | 2 389 065        |
| Liabilities for current tax (3400)    | 55 818         | 31 873           |
| Short-term accrued liabilities (3500) | 180 476        | 97 928           |
| Reserve (3700)                        | 229 625        | 0                |
| <b>Total 3. "Current Liabilities"</b> | <b>711 806</b> | <b>2 531 525</b> |

**4. Long-term Liabilities**

|   |          |          |
|---|----------|----------|
| Deferred tax liabilities (4300)         | 0        | 0        |
| <b>Total 4. "Long-term Liabilities"</b> | <b>0</b> | <b>0</b> |

|                                  |                |                  |
|----------------------------------|----------------|------------------|
| <b>TOTAL LIABILITIES (3 + 4)</b> | <b>711 806</b> | <b>2 531 525</b> |
|----------------------------------|----------------|------------------|

**5. Owner's equity**

|                                  |                  |                  |
|----------------------------------|------------------|------------------|
| Retained earnings (5300)         | 5 280 038        | 2 447 722        |
| <b>Total 5. "Owner's equity"</b> | <b>5 280 038</b> | <b>2 447 722</b> |

|   |                  |                  |
|---|------------------|------------------|
| <b>TOTAL LIABILITIES AND OWNER'S EQUITY (3 + 4 + 5)</b> | <b>5 991 844</b> | <b>4 979 247</b> |
|---|------------------|------------------|

**Note:**

2 285 176 som (1100+1200) is the amount of petty cash and cash in bank accounts at the end of 2015. This amount will be used by IBC to fulfill its obligations to its members and partners in 2016.

**INTERNATIONAL BUSINESS COUNCIL**

| <b>CASH FLOW in KGS</b>                                     | <b>2015</b>        | <b>2014</b>        |
|---|--------------------|--------------------|
| <b>Operating activities</b>                                 |                    |                    |
| Cash receipts from operating activities                     |                    |                    |
| Membership fees   | 7 317 884          | 7 170 047          |
| Grants from IBC members                                     | 1 700 759          | 656 041            |
| Grants from development partners                            | 12 251 631         | 7 052 020          |
| <b>Total cash receipts from operating activities</b>        | <b>21 270 274</b>  | <b>14 878 108</b>  |
| Cash paid for operating activities                          |                    |                    |
| Administrative costs  | -9 546 391         | -6 208 781         |
| Project costs (grants)                                      | -11 037 521        | -7 052 020         |
| <b>Total cash paid for operating activities</b>             | <b>-20 583 912</b> | <b>-13 260 801</b> |
| <b>Net cash flow from operating activities</b>              | <b>686 362</b>     | <b>1 617 307</b>   |
| <b>Investing activities</b>                                 |                    |                    |
| Bank deposit  | 1 777 746          | 0                  |
| Bank deposit  | -2 276 979         | -1 599 000         |
| Cash paid to purchase property asset                        | -89 195            | -324 936           |
| <b>Total cash paid for investing activities</b>             | <b>-588 428</b>    | <b>-324 936</b>    |
| <b>Net cash flow from investing activities</b>              | <b>-588 428</b>    | <b>-324 936</b>    |
| <b>Effect of exchange rate changes</b>                      | <b>267 574</b>     | <b>114 508</b>     |
| <b>Net increase (decrease) in cash and cash equivalents</b> | <b>365 508</b>     | <b>-192 121</b>    |
| <b>Cash and cash equivalent, beginning of year</b>          | <b>1 919 668</b>   | <b>2 111 789</b>   |
| <b>Cash and cash equivalent, end of year</b>                | <b>2 285 176</b>   | <b>1 919 668</b>   |

**Note:**

In 2015 IBC received 7 317 884 som as membership fees and 13 952 390 som as grants from its members and development partners to implement projects.

| <b>PROFIT AND LOSS STATEMENT in KGS</b>                          | <b>2015</b>       | <b>2014</b>       |
|--|-------------------|-------------------|
| <b>Membership Fees and Grants</b>                                |                   |                   |
| Revenue  | 22 906 003        | 14 475 251        |
| <b>Total Revenue</b>   | <b>22 906 003</b> | <b>14 475 251</b> |
| <b>Total expenditures</b>  | <b>21 154 734</b> | <b>11 510 147</b> |
| <b>Profit (loss) due to the change in foreign currency rates</b> | <b>1 090 441</b>  | <b>-517 382</b>   |
| <b>Expenditures for income taxes</b>                             | <b>9 394</b>      | <b>11 510 147</b> |
| <b>Profit (loss)</b>   | <b>2 832 316</b>  | <b>2 447 722</b>  |

## Attachment 3. Membership list as of the 31<sup>st</sup> of December 2015

### Corporate Members

#### Corporate A

|    |   |  |   |
|----|---|--|---|
| 1  | Alpha Telecom CJSC (MegaCom)                                | <a href="http://www.mega.com.kg">www.mega.com.kg</a>                             | Azat Bazarkulov, General Director         |
| 2  | Branch of Robust Resources (Tengri Resources) in Kyrgyzstan | <a href="http://www.robustresources.com.au">www.robustresources.com.au</a>       | Eduard Kubatov, Director                  |
| 3  | Elite-House LLC   | <a href="http://www.elite-house.kg">www.elite-house.kg</a>                       | Timur Faiziev, General Director           |
| 4  | Highland Exploration LLC                                    | <a href="http://www.highlandgold.com">www.highlandgold.com</a>                   | Ulan Kachkynbekov, General Director       |
| 5  | Imperial Tobacco Kyrgyzstan LLC                             | <a href="http://www.imperial-tobacco.com">www.imperial-tobacco.com</a>           | Ainisa Berkutova, General Director        |
| 6  | ItalKyr CJSC JV (Hyatt Regency Bishkek)                     | <a href="http://www.bishkek.regency.hyatt.com">www.bishkek.regency.hyatt.com</a> | Paul J.Murphy, General Manager            |
| 7  | KAZ Minerals Bozymchak LLC                                  | <a href="http://www.kazminerals.com">www.kazminerals.com</a>                     | Ilyas Tulekeyev, General Director         |
| 8  | Kumtor Gold Company CJSC                                    | <a href="http://www.kumtor.kg">www.kumtor.kg</a>                                 | Daniel Desjardins, President              |
| 9  | Kyrgyz Investment and Credit Bank CJSC                      | <a href="http://www.kicb.net">www.kicb.net</a>                                   | Kwang Young Choi, Chief Executive Officer |
| 10 | Kyrgyzstan Insurance Company CJSC                           | <a href="http://www.insurance.kg">www.insurance.kg</a>                           | Maria Adenova, General Director           |
| 11 | Optima Bank OJSC  | <a href="http://www.optimabank.kg">www.optimabank.kg</a>                         | Beibut Kapyshev, Board Chairman           |
| 12 | Sky Mobile LLC  | <a href="http://www.beeline.com">www.beeline.com</a>                             | Oleg Klochko, General Director            |

#### Corporate B

|    |                                      |  |  |
|----|--------------------------------------|--|--|
| 13 | Andash Mining Company LLC            | <a href="http://www.andashmining.kg">www.andashmining.kg</a> | Malik Malabaev, General Director           |
| 14 | Bishkek Sut OJSC                     |  | Margarita Rummyantseva, General Director   |
| 15 | Chaarat Zaav CJSC                    | <a href="http://www.chaarat.com">www.chaarat.com</a>         | Dekel Golan, General Director              |
| 16 | Coca-Cola Bishkek Bottlers CJSC      | <a href="http://www.cccb.kg">www.cccb.kg</a>                 | Erdinc Guzel, General Manager              |
| 17 | Demir Kyrgyz International Bank CJSC | <a href="http://www.demirbank.kg">www.demirbank.kg</a>       | Sevki Sarilar, General Manager             |
| 18 | Muza LLC (DHL)                       | <a href="http://www.dhl.kg">www.dhl.kg</a>                   | Mirtalib Mukhamedzиеv, Director            |
| 19 | Talas Copper Gold LLC                | <a href="http://www.tcg.kg">www.tcg.kg</a>                   | Viktor Adyrkhaev, Interim General Director |
| 20 | Talas Gold Mining Company CJSC       | <a href="http://www.polyusgold.com">www.polyusgold.com</a>   | Nurlan Aralbaev, General Director          |

#### Corporate C

|    |   |  |  |
|----|---|--|--|
| 21 | Bank of Asia CJSC   | <a href="http://www.bankasia.kg">www.bankasia.kg</a>               | Nurlan Aldayarov, Chairman                 |
| 22 | Bishkek branch of National Bank of Pakistan                                     | <a href="http://www.nbp.transfer.kg">www.nbp.transfer.kg</a>       | Muhammad Amin, General Manager             |
| 23 | Borsan Construction LLC   | <a href="http://www.borsan.kg">www.borsan.kg</a>                   | Suran uulu Melis, General Director         |
| 24 | Branch of "British American Tobacco Kazakhstan Trading" LLP in Kyrgyz Republic  | <a href="http://www.bat.com">www.bat.com</a>                       | Anvar Orozbekov, Director                  |
| 25 | Branch of Plasform Ambalaj Sanayi ve Ticaret A.S. in Free Economic Zone Bishkek | <a href="http://www.plasform.kg">www.plasform.kg</a>               | Marat Jusuev, General Director             |
| 26 | Bristol LLC   | <a href="http://www.bristol.kg">www.bristol.kg</a>                 | Yassin Lakhassani Hassan, General Director |
| 27 | Celestial Mountains LLC   | <a href="http://www.celestial.com.kg">www.celestial.com.kg</a>     | Ian Claytor, Director                      |
| 28 | Central Asian FEZ Development Corporation LLC                                   |  | Lee Jong Baek, President                   |
| 29 | Commercial Bank Kyrgyzstan OJSC   | <a href="http://www.bankkg.kg">www.bankkg.kg</a>                   | Nurdin Ilebaev, Chairman                   |
| 30 | FINCA Bank CJSC   | <a href="http://www.finca.org">www.finca.org</a>                   | Margarita Cherikbaeva, General Manager     |
| 31 | Fonta LLC   |  | Wan Lee, General Director                  |
| 32 | Frontiers LLC   | <a href="http://www.frontiers.kg">www.frontiers.kg</a>             | Taalaibek Djumataev, General Director      |
| 33 | Kalikova & Associates LLC   | <a href="http://www.k-a.kg">www.k-a.kg</a>                         | Ulan Tilenbaev, Managing Partner           |
| 34 | Kyrgyzkommertsbank OJSC   | <a href="http://www.kkb.kg">www.kkb.kg</a>                         | Kanat Mamakeev, Chairman                   |
| 35 | Kyrgyz-Swiss Bank CJSC  | <a href="http://www.ksbc.kg">www.ksbc.kg</a>                       | Shamil Imanaliev, Chairman                 |
| 36 | KPMG – Bishkek LLC  | <a href="http://www.kpmg.ru">www.kpmg.ru</a>                       | Eliza Djumasheva, Executive Director       |
| 37 | Manas Holdings (Kyrgyzstan) LLC   | <a href="http://www.manasresources.com">www.manasresources.com</a> | Oleg Gaponenko, General Director           |
| 38 | Manas Management Company CJSC   | <a href="http://www.mmc.kg">www.mmc.kg</a>                         | Asan Toktosunov, President                 |
| 39 | Mega Stroy LLC  | <a href="http://www.mega-stroy.kg">www.mega-stroy.kg</a>           | Almazbek Tilenbaev, General Director,      |
| 40 | Most Group LLC  | <a href="http://www.mostgroup.kg">www.mostgroup.kg</a>             | Muratbek Sagynbaev, Director               |
| 41 | Stans Energy Kg LLC   |  | Gennadiy Savchenko, General Director       |
| 42 | Sunel Tobacco CJSC  | <a href="http://www.sunel.com">www.sunel.com</a>                   | Chagdas Saylak, General Director           |
| 43 | South Kyrgyz Cement CJSC  | <a href="http://www.ykc.kg">www.ykc.kg</a>                         | Alexey Dorohov, General Director           |
| 44 | TOKTOM Information Center LLC   | <a href="http://www.toktom.kg">www.toktom.kg</a>                   | Kubat Kartanbaev, Director                 |

#### Corporate D

|    |  |  |  |
|----|--|--|--|
| 45 | Ansar Accountants LLC                    | <a href="http://www.ansaraccountants.com">www.ansaraccountants.com</a> | Zarylbek Abduvaiev, Managing Partner   |
| 46 | ARTE Law Firm LLC                        | <a href="http://www.arte-ip.kg">www.arte-ip.kg</a>                     | Saodat Shakirova, Director             |
| 47 | Bai Tushum Bank CJSC                     | <a href="http://www.baitushum.kg">www.baitushum.kg</a>                 | GuInara Shamshieva, General Manager    |
| 48 | Baker Tilly Bishkek LLC                  | <a href="http://www.bakertilly.kg">www.bakertilly.kg</a>               | Yulia Abdumanapova, Director           |
| 49 | BNC Finance Company LLC                  | <a href="http://www.bnc.kg">www.bnc.kg</a>                             | Arslanbek Kenenbaev, Managing Director |
| 50 | Branch of Mazar CJSC                     | <a href="http://www.mazars.ru">www.mazars.ru</a>                       | Ludmila Dyakonova, Director            |
| 51 | Celestial Mountains Guesthouse Naryn LLC | <a href="http://www.celestial.com.kg">www.celestial.com.kg</a>         | Ian Claytor, Director                  |

|    |  |  |  |
|----|--|--|--|
| 52 | Central Asia Machinery                               | <a href="http://www.turkuazmachinery.com">www.turkuazmachinery.com</a>       | Talant Tuloberdiev, General Director         |
| 53 | Colibri Law Firm LLC                                 | <a href="http://www.colibrilaw.com">www.colibrilaw.com</a>                   | Azim Usmanov, General Director               |
| 54 | Deloitte & Touche LLC                                | <a href="http://www.deloitte.kg">www.deloitte.kg</a>                         | Kanyshai Sadyrbekova, Managing Director      |
| 55 | EI Group Consulting LLC                              | <a href="http://www.el-group.com">www.el-group.com</a>                       | Jamilya Imankulova, Executive Director       |
| 56 | Elsyst LLC   | <a href="http://www.elsyst.kg">www.elsyst.kg</a>                             | Daniar Attokurov, General Director           |
| 57 | Ernst & Young LLC                                    | <a href="http://www.ey.com">www.ey.com</a>                                   | Elizaveta Tsoy, General Director             |
| 58 | Eurasia Group KGZ LLC                                | <a href="http://www.eurasia-group.kg">www.eurasia-group.kg</a>               | Urmat Akmatov, General Director              |
| 59 | Expert English Editing LLC                           |  | Harvey Wagar, General Director               |
| 60 | FNT Consultants LLC                                  | <a href="http://www.fntconsultants.org">www.fntconsultants.org</a>           | Gulnara Arymkulova, Managing Director        |
| 61 | Globalink Logistics Group LLC                        | <a href="http://www.globalinkllc.com">www.globalinkllc.com</a>               | Anastasiya Shloeva, Director                 |
| 62 | GRATA Law Firm LLC                                   | <a href="http://www.gratanet.com">www.gratanet.com</a>                       | Kanat Seidaliev, General Director            |
| 63 | Ijara Company Kyrgyzstan CJSC                        | <a href="http://www.ick.kg">www.ick.kg</a>                                   | Ulan Satyvaldiev, General Director           |
| 64 | Independent Partners Consulting Group by Tashiev LLC |  | Rustam Tashiev, President                    |
| 65 | InterConsult LLC                                     | <a href="http://www.interconsult.kg">www.interconsult.kg</a>                 | Umet Daletbaev, Director                     |
| 66 | Jubilee Kyrgyzstan Insurance Company CJSC            | <a href="http://www.jubileelifeinsurance.kg">www.jubileelifeinsurance.kg</a> | Valeria Khagai, CEO                          |
| 67 | KAB Group International LTD                          | <a href="http://www.kabgr.com">www.kabgr.com</a>                             | Ruslan Tagaev, General Director              |
| 68 | Kant TSP LLC   | <a href="http://www.kantlate.kg">www.kantlate.kg</a>                         | Sanjar Kaparov, General Director             |
| 69 | Koan Lorenz LLC                                      | <a href="http://www.lorenz-law.com">www.lorenz-law.com</a>                   | Niyazbek Aldashev, General Director          |
| 70 | Kompanion Bank CJSC                                  | <a href="http://www.kompanion.kg">www.kompanion.kg</a>                       | Ulanbek Termechikov, Chief Executive Officer |
| 71 | Kyrgyz Concept LLC                                   | <a href="http://www.concept.kg">www.concept.kg</a>                           | Emil Umetaliev, President                    |
| 72 | Lex Law Firm LLC                                     | <a href="http://www.lex.kg">www.lex.kg</a>                                   | Vitaliy Yen, General Director                |
| 73 | Mab-Uia LLC (Jannat Hotel chain)                     | <a href="http://www.jannat.kg">www.jannat.kg</a>                             | Bozulan Mamazairov, General Director         |
| 74 | PricewaterhouseCoopers Bishkek LLP                   | <a href="http://www.pwc.kg">www.pwc.kg</a>                                   | Gulnara Kairova, Director                    |
| 75 | Silk Route Tourism LLC (Golden Tulip Bishkek Hotel)  | <a href="http://www.goldentulipbishkek.com">www.goldentulipbishkek.com</a>   | Stiphan Beher, General Manager               |
| 76 | Sierra Group LLC                                     | <a href="http://www.sierra.kg">www.sierra.kg</a>                             | Bradley Brenneman, General Director          |
| 77 | Siut Bulak JSC                                       | <a href="http://www.dairyspring.kg">www.dairyspring.kg</a>                   | Elena Isaeva, Director                       |
| 78 | Sonora LLC   | <a href="http://www.sonora.lv">www.sonora.lv</a>                             | Yanis Mozga, Chairman                        |
| 79 | Ur Asia in Kyrgyzstan LLC                            |  | Svetlana Meng, General Director              |
| 80 | W. Jacobs-Audit CJSC                                 | <a href="http://www.jacobs-audit.kg">www.jacobs-audit.kg</a>                 | Galina Rostokina, Director                   |
| 81 | Xinghua International Mining Company LLC             |  | Chyn Mao Chun, General Director              |

#### Associate members

|     |   |  |  |
|-----|---|--|--|
| 82  | Aga Khan Development Network  | <a href="http://www.akdn.org">www.akdn.org</a>                                       | Shamsh Kassim-Lakha, Resident Representative                                 |
| 83  | Asian Development Bank  | <a href="http://www.adb.org">www.adb.org</a>   | Rie Hiraoka, Country Director  |
| 84  | Association of Custom brokers   |  | Ivan Geletuk, President  |
| 85  | DCA Central Asia  | <a href="http://www.danchurchaid.org">www.danchurchaid.org</a>                       | Thomas Skov-Hansen, Regional Representative                                  |
| 86  | EBRD – Kyrgyzstan   | <a href="http://www.ebrd.com">www.ebrd.com</a>                                       | Larisa Manastirli, Head of Bishkek Office                                    |
| 87  | Eurasia Foundation of Central Asia  | <a href="http://www.ef-ca.org">www.ef-ca.org</a>                                     | Dinara Musabekova, Executive Director  |
| 88  | European School in Central Asia   | <a href="http://www.esca.kg">www.esca.kg</a>   | Marta Inga Bobiatynska, Chair  |
| 89  | Embassy of Switzerland in the Kyrgyz Republic   | <a href="http://www.swisscoop.kg">www.swisscoop.kg</a>                               | René Holenstein, Ambassador Extraordinary and Plenipotentiary of Switzerland |
| 90  | Helvetas – Kyrgyzstan   | <a href="http://www.helvetas.kg">www.helvetas.kg</a>                                 | Markus Ischer, Program Officer   |
| 91  | ICCO Cooperation, Central Asia office   | <a href="http://www.icco.nl">www.icco.nl</a>   | Muratbek Ismailov, Regional Manager  |
| 92  | International Finance Corporation   | <a href="http://www.ifc.org">www.ifc.org</a>   | Martin Naegele, Country Officer  |
| 93  | Kasparov Chess Foundation in Central Asia   | <a href="http://www.kasparovchessfoundation.org">www.kasparovchessfoundation.org</a> | Aychurek   |
| 94  | KfW Development Bank  | <a href="http://www.kfw.de">www.kfw.de</a>   | Thomas Edgar Lehmann, Director of KfW Office Central Asia                    |
| 95  | OSCE Center in Bishkek  | <a href="http://www.osce.org">www.osce.org</a>                                       | Sergey Kapinos, Head of Center   |
| 96  | Representation of Grundfos Kazakhstan in Kyrgyzstan   | <a href="http://www.grundfos.com">www.grundfos.com</a>                               | Adilet Abdybekov, Head of Representation                                     |
| 97  | Representative office of Deloitte Consulting Overseas Projects LLC in the Kyrgyz Republic (USAID Busines Growth Initiative) | <a href="http://www.usaid.gov">www.usaid.gov</a>                                     | Karen Westergaard, Chief of party  |
| 98  | UNDP  | <a href="http://www.undp.kg">www.undp.kg</a>   | Aleksandr Avanesov, Resident Representative                                  |
| 99  | University of Central Asia  | <a href="http://www.ucentralasia.org">www.ucentralasia.org</a>                       | Bohdan Krawchenko, Director General  |
| 100 | UN World Food Program   | <a href="http://www.wfp.org">www.wfp.org</a>   | Ram Saravanamuttu, Resident Representative                                   |

#### Honorary members

|     |  |
|-----|--|
| 101 | Andrey Krutko, Ambassador Extraordinary and Plenipotentiary of Russian Federation                    |
| 102 | Ayymdos Bozjigitov, Ambassador Extraordinary and Plenipotentiary of the Republic of Kazakhstan       |
| 103 | Peter Rudolf Scholz, Ambassador Extraordinary and Plenipotentiary of the Federal Republic of Germany |

- 104 Hidayat Khudush oglu Orujov, Ambassador Extraordinary and Plenipotentiary of the Republic of Azerbaijan
- 105 Robin Ord-Smith, Ambassador Extraordinary and Plenipotentiary of the United Kingdom
- 106 Kim Chang Gyu, Ambassador Extraordinary and Plenipotentiary of the Republic of Korea
- 107 Koike Takayki, Ambassador Extraordinary and Plenipotentiary of Japan
- 109 Metin Kılıç, Ambassador Extraordinary and Plenipotentiary of the Republic of Turkey
- 109 Sheila Gwaltney, Ambassador Extraordinary and Plenipotentiary of the United States of America
- 110 Qi Gayu, Ambassador Extraordinary and Plenipotentiary of People's Republic of China
- 111 René Holenstein, Ambassador Extraordinary and Plenipotentiary of Switzerland
- 112 Stéphane Catta, Ambassador Extraordinary and Plenipotentiary of France
- 113 Tanveer Akhtar Khaskheli, Ambassador Extraordinary and Plenipotentiary of the Islamic Republic of Pakistan
- 114 Vladimir Nekrasov, Trade Representative of Russian Federation in the KR
- 115 Talaibek Koichumanov, Secretary of Business Development and Investment Council under the Government of the Kyrgyz Republic