
REPORT



**of International
Business Council**

for 2018

voice of business

Full version

LETTER OF SUBMISSION

OF THE MANAGEMENT BOARD OF THE INTERNATIONAL BUSINESS COUNCIL

Bishkek, May 24, 2019

Dear IBC members,

We have the honor to submit to you the 2018 Annual Report of the Management Board of the International Business Council.

Respectfully,

*Ulan Kachkynbekov, Highland Exploration LLC, Management Board Chairman
Galina Kucheryavaya, Sky Mobile LLC, Deputy Board Chairperson
Ainisa Berkutova, Imperial Tobacco Kyrgyzstan LLC, Board Member
Aicholpon Aliyeva, Kalikova & Associates Law Firm, Board Member
Anara Otogonova, Kumtor Gold Company CJSC, Board Member
Bektur Aliev, Kyrgyz Investment and Credit Bank CJSC, Board Member
Bradley Brenneman, Sierra Group LLC, Board Member
Elena Isaeva, Sut-Bulak CJSC, Board Member
Ilyas Tyulekeev, KAZ Minerals Bozymchak LLC, Board Member
Shevki Sarylar, Demir Kyrgyz International Bank CJSC, Board Member
Irja Berg, Management, German Embassy in the Kyrgyz Republic, Board Observer
Neil McCain, European Bank for Reconstruction and Development, Board Observer*

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1. INTRODUCTION

The Board is pleased to report that in 2018, the International Business Council maintained its position as the leading and most influential business association in the Kyrgyz Republic. IBC has stepped up its activities, including the active position of IBC members, the financial sustainability and advocacy, as well as protecting the interests of members of the association and attracting new investors to the country.

IBC is considered as a reliable partner of the Office of the President, Government, the Parliament, Economy Ministry and other state bodies of the Kyrgyz Republic in all matters affecting the development of the economy and entrepreneurship.

Among the most significant events of the year is the completion of a comprehensive study on the overall contribution of gold mining to the economy of the Kyrgyz Republic and the possible impact of existing fiscal initiatives on it, conducted by the Ernst & Young international consulting company by request of IBC and the State Agency for Industry, Energy and Subsoil Use.

In the reporting year, IBC became a member of several more important platforms for creating favorable conditions for doing business. The IBC Executive Director joined the Supervisory Board of the Business Ombudsman of the Kyrgyz Republic, as well as the Industry and Entrepreneurship Development Committee under the National Sustainable Development Council of the Kyrgyz Republic.

At the IBC initiative, the Business Development and Entrepreneurship Council under the Parliament Speaker considered issues on the situation in the Bishkek FEZ; on improving the judicial system and ensuring the rule of law in the Kyrgyz Republic; on the possibility of introducing of the investment citizenship mechanism in the Kyrgyz Republic.

Mobile commissions and initiative groups were created that promptly contributed to the drafting of normative legal acts regulating business activities.

Thanks to IBC efforts, the Rules for cutting especially valuable tree species were approved.

Some IBC proposals were incorporated in the draft Action Plan for the implementation of the State Targeted Program “Development of the judicial system of the Kyrgyz Republic for 2018-2022”.

IBC continued to work on individual complaints of its members, in particular, related to illegal actions / inactions of law enforcement, fiscal and controlling state bodies.

The organization took an active part in the development of proposals and amendments to the draft Government Resolution on the introduction of a temporary moratorium on conducting inspections of business entities.

IBC continued cooperation with the Parliament of the Kyrgyz Republic. The initiative groups of the association drafted amendments to draft laws on public procurement and on lotteries reflecting the interests of the country's entrepreneurship.

IBC continues improving its website www.ibc.kg, the IBC Weekly News and media cooperation.

In addition to the main events, IBC implemented the Economic Journalism Club project (EJC) with the support from the U.S. Embassy in the Kyrgyz Republic.

2. ACTIVITIES WITHIN STATE BODIES

As a leading non-commercial organization affecting public policy in development of the economy and entrepreneurship in the Kyrgyz Republic, in 2017 IBC was a member of the following platforms aimed at creating favorable conditions for doing business:

- Advisory Committee for Entrepreneurship under the Eurasian Economic Commission Board (Order of the EEC Board of August 29, 2017);
- Комитет по развитию промышленности и предпринимательства при Национальном совете по устойчивому развитию Кыргызской Республики;
- Industry and Entrepreneurship Development Committee under the National Sustainable Development Council of the Kyrgyz Republic;
- Business and Entrepreneurship Development Council under the Toraga (Speaker) of the Jogorku Kenesh (Parliament) of the Kyrgyz Republic (Order of the Toraga of the Jogorku Kenesh of January 30, 2017 No. 13-OD);
- 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);
- Supervisory Board of the authorized person to protect the rights, freedoms and legitimate interests of business entities (Business Ombudsman) (Government Resolution of December 31, 2018 No. 647);
- Expert Advisory Council under the Committee on Economic and Fiscal Policy of the Jogorku Kenesh of the Kyrgyz Republic (Decision of the Committee on Economic and Fiscal Policy of March 28, 2017);
- Council on Awarding Quality Prizes of the Kyrgyz Republic (Regulation of the Government of the Kyrgyz Republic No.67-r dated March 2, 2015);
- Supervisory Board of the Extractive Industries Transparency Initiative (EITI);
- Commission on Subsoil Use Licensing Issues under the State Committee for Industry, Energy and Subsoil Use of the Kyrgyz Republic;
- National Council for the Professional Skills Development (Resolution of the Government of the KR of March 23, 2012 No.193);
- IWG on consideration of the issues of mandatory transfer of business entities to non-cash payments (Order of the Ministry of Economy of the Kyrgyz Republic No. 7 of February 8, 2017);
- WG on the development of the Procedure for conducting economic and statistical monitoring and control of economic entities included in the State Register of economic entities dominant in the commodity markets of the Kyrgyz Republic (Ministry of Economy of the Kyrgyz Republic ref. No. 18-1 / 13271 of September 26, 2017);
- Interdepartmental working group (IWG) on drafting a regulatory legal act that provides for an increase in the bonus rates (tax for the use of subsoil) (Order of the State Committee for Industry, Energy and Subsoil Use of the KR (SCIESU) No. 82 of February 22, 2017);
- The IWG on revising the Regulation “On the Procedure for Implementing International Treaties and Other Agreements to which the Kyrgyz Republic is a Party, in Part of Exemption from Taxes, Duties and Other Payments” approved by the Government Resolution No. 155 of April 12, 2011. (Ministry of Economy of the Kyrgyz Republic, ref. No. 15-2 / 10047 dated July 18, 2018);
- IWG to develop proposals for the introduction of amendments and additions to the Law of the Kyrgyz Republic “On Innovation Activity” (Kyrgyzpatent Order No. 144 of July 20, 2017);

- IWG for the preparation of a statement of substantiation of the need to introduce changes in the safe loading distances of wells in open pit mining in the Safety Rules for Blasting Operations (SCIESU, ref. No. 05-4 / 10590 of August 15, 2018);
- Council for the formation of a list of priority investment projects (Ministry of Economy of the Kyrgyz Republic, ref. No. 19-1 / 13845 of October 8, 2017);
- IWG to increase the transparency of the mining industry (SCIESU, ref. No. 06-5 / 13223 dated 10.25.2018);
- IWG on the institutionalization of the Skills Development Fund (Ministry of Education and Science of the Kyrgyz Republic, ref. No. 01-22 / 7424 of November 2, 2018);
- IWG to develop initiative proposals on tariff and non-tariff regulation and protective measures (Ministry of Economy of the Kyrgyz Republic, ref. No. 2-2 / 15441 of 03.11.2018);
- WG on regulatory impact analysis of the draft Law of the Kyrgyz Republic “On the licensing and authorization system of the Kyrgyz Republic” in the new edition (Ministry of Economy, ref. No. No. 17-1 / 17113 of December 12, 2018).

2.1. Advisory Committee for Entrepreneurship under the Eurasian Economic Commission (EEC) Board

According to the order of the EEC Collegium of August 29, 2017, a new composition of the Advisory Committee on Entrepreneurship under the EEC Collegium was approved, including IBC representatives from the business community of the KR (hereinafter referred to as the Consultative Committee).

The Consultative Committee is aimed to develop proposals, including on the basis of the best international practice, on the following issues: creation and implementation of a harmonized policy in the field of entrepreneurship and investment activity in the territory of the Customs Union and the Common Economic Space; elimination of excessive administrative barriers in the sphere of entrepreneurial activity; improvement of the business climate, including investment activities and mutual trade in services in the CU territory.

Meetings of the Advisory Committee are held at least once every six months. In 2018, IBC did not raise issues for discussion by the Advisory Committee.

2.2. Industry and Entrepreneurship Development Committee under the National Sustainable Development Council of the Kyrgyz Republic

In December 2018, the President of the Kyrgyz Republic signed a decree on the formation of the Industry and Entrepreneurship Development Committee under the National Sustainable Development Council of the Kyrgyz Republic (hereinafter – the Committee).

The Committee was formed to attract representatives of the business community and academia to develop proposals for the development of public policy aimed at providing favorable conditions for the development of industry and entrepreneurship of the Kyrgyz Republic, increasing investment attractiveness. The functions of the Committee, in addition to analyzing, monitoring and evaluating state policy in the field of industry and entrepreneurship, include developing recommendations and proposals on relevant issues.

The Committee is chaired by the President of the Kyrgyz Republic. The Committee includes deputies of the Jogorku Kenesh, members of the government and representatives of business associations, academic circles and independent experts.

IBC Executive Director Askar Sydykov is a Committee member.

2.3. The Business and Entrepreneurship Development Council under the Speaker of the Jogorku Kenesh (Parliament) of the Kyrgyz Republic

In 2018, three meetings of the Council were held under the Speaker's chairmanship. IBC took part in all meetings where the following issues were also considered:

- 1) The situation in the territory of the Bishkek FEZ, where payment for the right to carry out activities for some entities of the Bishkek FEZ was increased;
- 2) Improving the judicial system and ensuring the rule of law in the Kyrgyz Republic;
- 3) The possibility of implementing the mechanism of investment citizenship in the Kyrgyz Republic.

For each of the above issues, recommendations were adopted, most of which were implemented by the relevant government agencies (detailed information is provided in the following sections). IBC took an active part in the implementation of many of the above initiatives (meetings, working groups, and additional appeals).

The Business Development and Entrepreneurship Council under the Parliament Speaker was established in 2017 to strengthen communication and ensure dialogue between the Parliament and the business community. The IBC Executive Director is a Council member.

2.4. Business Development and Investment Council under the Government of the Kyrgyz Republic (BDIC)

IBC takes an active part in the discussion of issues and facilitates the implementation of decisions taken at the BDIC meetings. In 2017, five BDIC meetings were held under the chairmanship of the Prime Minister of the Kyrgyz Republic. IBC took part in all Council meetings and initiated the following issue for consideration:

- 1) Development of the market of compulsory insurance in the Kyrgyz Republic;
- 2) Inclusion of issues to improve the system of compensation standards for losses of agricultural production, the rates of fees for environmental pollution and the use of compensatory measures when cutting especially valuable tree species in the action plan to the Government program "Unity, Trust, Creation."

For each of the above issues, recommendations were adopted, most of which were carried out by the relevant state bodies. IBC took an active part in the implementation of many of the above initiatives (meetings, working groups, and appeals).

2.5. Expert Advisory Council under the Committee on Economic and Fiscal Policy of the Jogorku Kenesh of the Kyrgyz Republic

In 2017, in order to make decisions on improving the economic and fiscal policy in the tax administration, customs regulation, state social insurance and non-tax revenues, an Expert Advisory Council was established under the Committee on Economic and Fiscal Policy of the Jogorku Kenesh (decision of the Committee on Economic and Fiscal Policy of January 24, 2017 No. 017038).

Representative of the Kalikova and Associates law firm Maxim Smirnov is a member of the Advisory Council from IBC. IBC took part in all Council meetings which considered the following issues:

- Draft of the new Tax Code;
- Fiscal Policy Concept of the KR for 2017 – 2040.

2.6. Council on Awarding Quality Prizes of the Kyrgyz Republic

In 2018, IBC took part in all meetings of the Council on Awarding Quality Prizes of the Kyrgyz Republic, at which applications from candidates for participation were considered. In 2017-2018, there was a competition in tourism and hotel services.

On December 31, 2018, the competition was summed up, and on February 25, 2019, prizes were awarded to the winners.

In accordance with the decree of the President of the Kyrgyz Republic, to develop the country's regions, a competition for 2019 was announced among industrial enterprises of light industry and enterprises processing agricultural products, not including enterprises in Bishkek and Osh.

The government has been holding quality competitions since 1998 to increase the competitiveness of domestic enterprises and develop a systematic approach to quality. Every year the competition is held in various sectors of the economy. The first competition was held among enterprises of industrial, agro-industrial complexes and the service sector. It was followed by competitions among the enterprises of the processing industry, producers of goods for the population, processing of agricultural products, the construction industry, healthcare, education, and catering.

The IBC Executive Director is a Council member.

2.7. Supervisory Board of the Extractive Industries Transparency Initiative (EITI)

In 2018, three EITI Council meetings were held under the chairmanship of the SCIESU head. IBC participated in all Council meetings where the following issues were considered: 1) recommendations from the EITI International Secretariat on integrating EITI into government systems; 2) consideration of lists of companies, payments and determination of materiality thresholds in 2015, 2016 and 2017; 3) the non-applicability of EITI requirements; revenues from transportation, quasi-fiscal costs; 4) Disclosure and verification of data on the social package of mining enterprises in accordance with the requirements of the EITI Standards 6.1. Social expenses; 5) Subnational payments; 6) Level of disaggregation data; 7) Extension of the validation of the Kyrgyz Republic; 8) Open Data project; 9) Financing EITI activities and preparing for EITI validation, etc.

For each of the above issues, recommendations were adopted, most of which were worked out by the EITI Secretariat.

The IBC Executive Director is a member of the EITI Supervisory Board.

The EITI is an international standard, which aims to stimulate transparency of revenues from economic activities in the extraction of natural resources. Countries implementing the EITI standard are required to disclose information on the amount of tax and other payments received by the state from companies extracting natural resources, the procedures for granting subsoil use permits and other related information related to subsoil use.

2.8. Subsoil Use Licensing Commission under the State Committee for industry, Energy and Subsoil Use of the Kyrgyz Republic

In 2018, 51 meetings of the Commission were held, which considered 2678 issues including:

- 714 applications for obtaining licenses for subsoil use;
- 1964 applications under current licenses.

Over 2018, 255 licenses for obtaining subsoil use rights were suspended and 320 licenses were canceled.

The IBC representative contributed to providing lawfulness and fair consideration of subsoil users' applications (including IBC members) at the Commission meetings.

Chairperson of the IBC Mineral Resources Committee Aicholpon Aliyeva (Kalikova and Associates law firm) represents IBC in the commission.

2.9. National Council for Professional Skills Development (NCPSD)

At its meetings, the Council considered problems and development prospects of the primary professional and technical education system in the Kyrgyz Republic; creation of branch councils; activities of the Skills Development Fund as part of the ADB project "Vocational Education and Skills Development"; introduction of dual training in the vocational education system; and etc.

The main goal of the NCPSD established by the Government Resolution of March 23, 2012, No. 193, is to coordinate the interaction of government agencies and social partners in training issues in accordance with the requirements of the labor market.

The Council includes heads of ministries and departments, representatives of employers, federations of trade unions and business associations.

IBC was included in the Council in 2017 (Government Resolution No. 684 dated October 20, 2017).

2.10. Supervisory Board of the authorized person to protect the rights, freedoms and legitimate interests of business entities (Business Ombudsman)

For many years, the business community has repeatedly advised to create a Business Ombudsman institution (hereinafter - BO). At a Parliamentary meeting in April 2018, candidate for the post of Prime Minister Mukhammedkaly Abylgazyev presented a new program of the Government of the Kyrgyz Republic "Unity, Trust, Creation" which included creation of the BO institution. In June 2018, at a meeting of the Business Development and Investment Council under the Government of the Kyrgyz Republic, it was decided to draft a Resolution "On the authorized person to protect the rights of business entities (Business Ombudsman)". On December 31, 2018, the Government Resolution Republic No. 647 approved the Regulation "On the authorized person for the protection of the rights, freedoms and legitimate interests of business entities (Business Ombudsman)".

According to the Regulation, the Supervisory Board will consist of authorized representatives of three parties – the Government, international development partners and business associations.

The Ministry of Economy initiated an order of the Government of the Kyrgyz Republic on the delegation of the Minister of Economy as a representative of the Government of the Kyrgyz Republic to the Supervisory Board of the BO.

The composition of the block of international development partners will be determined on the basis of the consultations held by the European Bank for Reconstruction and Development (EBRD), the main international partner in creating the BO institution.

The third block involves the participation of five business associations on an ongoing basis and two business associations on a rotational basis. For business associations that are members of the Supervisory Board on an ongoing basis, the decree established criteria.

Following the selection, IBC became a member of the block of business associations of the Supervisory Board on an ongoing basis.

2.11. IWG on the analysis of the legislation of the Kyrgyz Republic in terms of issuing land plots and obtaining permits for the construction of small communication facilities

On February 27, 2018, the concept of a draft law on amending the legislation of the Kyrgyz Republic in terms of issuing land plots and obtaining a permit for the construction of small communication facilities was approved by the Parliament Committee on Transport, Communications, Architecture and Construction. Currently, the conclusion of the Government of the Kyrgyz Republic is expected for further consideration of the draft law by the Parliament Committee on Agrarian Policy, Water Resources, Ecology and Regional Development.

According to the current legislation, all telecom operators when installing small communications facilities (linear facilities, poles, transformers, etc.) should undergo almost the same licensing procedures as capital facilities. As a result, this procedure takes from several months to several years. This circumstance impedes the provision of access communication (and its connection) in all regions of the country.

In this regard, IBC, together with the Association of Telecommunications Operators (hereinafter - ATO), sent an appeal to the Government with a request to consider the possibility of simplifying this procedure for telecom operators. By the Order of the Ministry of Economy of the Kyrgyz Republic of October 25, 2016 No. 43, an interdepartmental working group on land use of telecom operators was formed.

In 2016, five WG meetings were held and a number of meetings were held with the participation of interested companies and representatives of relevant government bodies. The WG developed RIA and a draft law on amending the legislation of the Kyrgyz Republic, which was subsequently initiated by the Ministry of Economy of the Kyrgyz Republic and launched for approval by ministries and departments. However, later on, the draft law was withdrawn due to the negative opinion of the Ministry of Justice that the initiation of this issue was not the responsibility of the Ministry of Economy of the Kyrgyz Republic.

In 2017, the WG resumed its work, and with the support of the Secretariat of the Business Development and Entrepreneurship Council under the Parliamentary Speaker of the Kyrgyz Republic, the draft law was initiated by parliamentary deputy Anarbek Nurbaev.

IBC Head of Legal Department Dastan Imanaliev, representatives of Alfa Telecom CJSC, Sky Mobile LLC, and Nur Telecom LLC joined the WG.

2.12. IWG on the development of amendments to legislation aimed at revising the distance of drilling and blasting operations by mining enterprises

In 2018, at the meeting of the IBC Mineral Resources Committee, the issue of excessive demand for the distance of drilling and blasting operations in open mountain areas was raised. With the adoption of the new Safety Rules for blasting operations in September 2016 in the production of blasting, this distance was 20 meters instead of 8 meters previously defined.

As a result of the official appeal and consultations held with the leadership of the State Committee for Industry, Energy and Subsoil Use of the KR (SCIESU) in November 2018, an agreement was reached on the need to amend the Rules for drilling and blasting operations in mountain areas, allowing to reduce the size of the exclusion zone from the nearest charge as agreed with the authorized body. In this regard, the SCIESU established a working group from among the IBC members. Following the IWG meetings, a draft amendment to the Government Resolution "On Amendments to the Resolution of the Government of the Kyrgyz Republic "On Approval of the Safety Rules for Blasting Operations" No. 521 of September 30, 2016" was developed.

The SCIESU submitted the draft amendments for public discussion.

2.13. Council for the creation of a list of priority investment projects

In October 2018, the Council was formed to create a list of priority investment projects to obtain strategic support from the Government, the Project Preparation Fund, the Russian-Kyrgyz Development Fund and international financial institutions. The Council has developed and approved criteria for the selection of priority industries and enterprises for business projects and an application form for obtaining strategic and technical support in preparing business projects.

The IBC Board includes Nazira Beishenaliyeva, Chairperson of the Board of Directors of Bank of Asia CJSC.

The purpose of the Fund is to increase the accessibility to finance of business entities, including sustainable financing aimed at developing business, expanding production, acquiring and modernizing fixed assets, introducing new technologies, innovating and opening new businesses, creating jobs. Regions of the country are the Fund's priority. The Fund cooperates with regional enterprises, business associations, government agencies, commercial banks, financial institutions, and international organizations.

The Project Preparation Fund was established by the Ministry of Economy of the Kyrgyz Republic as part of the UN Sustainable Development Finance in the CIS Region project.

2.14. IWG on the Skills Development Fund institutionalization

On October 26, 2018, the Ministry of Education and Science of the Kyrgyz Republic, together with the Asian Development Bank (ADB), held a roundtable on the institutionalization of the Skills Development Fund (SDF), created within the framework of the second ADB project "Professional Skills Development".

The main SDF goal is to meet the needs of the population in the development of professional skills and employers in the training of qualified workers in a short time. The SDF is called upon to respond promptly to requests from employers and investment projects for the development of the economy in order to reduce the shortage of qualified personnel in the labor market and increase the competitiveness and employment of citizens.

The roundtable decided to create an IWG to institutionalize the SDF. The working group included representatives of government agencies, professional associations of employers, and business associations including IBC.

2.15. IWG on conducting RIA to the new edition of draft Law of the Kyrgyz Republic "On the licensing and authorization system of the Kyrgyz Republic"

To improve, further optimize and liberalize the licensing system and the public relations regulated by the current legislation, the Ministry of Economy developed a draft Law of the Kyrgyz Republic "On the licensing and licensing system of the Kyrgyz Republic in a new edition."

The Ministry of Economy established an interdepartmental working group to conduct the regulatory impact analysis of normative legal acts to the draft law. Currently, the IWG is developing proposals for the above bill.

IBC Commissions

To improve the resolution of problems faced by IBC member companies, the association decided to create mobile entities in the form of commissions and initiative groups that could fully realize their expert potential and participate in the development of documents to ensure the applied implementation of the IBC goals and objectives.

Industry Dominant Commission

In 2018, the Industry Dominant Commission worked to develop and adopt, taking into account the opinion of the organization members, the Rules for conducting economic and statistical monitoring of business entities included in the State Register of business entities dominating the commodity markets of the Kyrgyz Republic.

In 2017, representatives of companies dominant in industry markets from among the IBC members contacted IBC regarding the activity of the State Antimonopoly Regulation Agency related to the vagueness of monitoring procedures for dominant activities. Then, according to the verbal statement of the antimonopoly regulator, the agency had the right to check all the activities of companies, at any time and up to the procurement of services / goods and punish them if, in the opinion of the antimonopoly regulator, there were violations, for example, the purchase price was higher than the market one, etc. The antimonopoly regulator, given the absence of a normative legal act regulating interaction with dominants in collecting information, could artificially create barriers in their activities.

The main task of the commission was to define clear conditions and order / methodology of economic and statistical monitoring by the antimonopoly regulator for dominants.

During 2017-2018 continuous work on the task was carried out. Experts from various dominant companies, representatives of the Ministry of Economy of the Kyrgyz Republic and the antimonopoly regulator were involved in the work of the commission.

During the work of the commission, the authorized state bodies developed and the Government of the Kyrgyz Republic approved the draft document, which did not reflect business interests and opinions.

During meetings at the Ministry of Economy of the Kyrgyz Republic and the State Antimonopoly Regulation Agency, IBC managed to convince the authorized state bodies of the need to cancel the current procedure and adopt a new one proposed by IBC.

The outcome of the work of the Commission on dominant issues in the sectoral markets was the full adoption of IBC's arguments on this issue and the submission of the draft Order for public discussion on February 19, 2019.

Food and Processing Industry Commission

Initiative to introduce the labeling means of identification in the EAEU. The commission members including representatives of food enterprises discussed the proposal of the Russian side, within the Eurasian Economic Union (EAEU) framework, sent to the Government of the Kyrgyz Republic to expand the range of goods for which it is advisable to introduce identification marks in the EAEU. It was suggested to introduce labeling on tobacco, non-alcoholic and dairy products. During discussions, it turned out that not all food enterprises are ready for innovations. Fulfillment of new requirements is associated with large financial expenses and issues of the production cycle, which cannot be resolved by local food enterprises in the near future. In addition, this would lead to a significant increase in the cost of goods, which would have a negative impact on the economic activities of the IBC members. It was decided to forward the IBC official position on this issue to the relevant state authorities. In the course of consultations, IBC managed to convince the government agencies not to include tobacco, non-alcoholic and dairy products in the range of goods for which it is advisable to introduce labeling with identification means in the EAEU.

Initiative to ban import, production and sale of plastic packages intended for the population.

The Commission carried out work on the initiative “On the prohibition of import, production and sale of plastic packages intended for the population (end user) in the territory of the Kyrgyz Republic”. The draft law in the proposed version completely prohibited the use of polyethylene including for industrial purposes. Considering that polyethylene is also used in the production of food packaging materials, the adoption of the draft law as proposed by its authors would mean difficulties for producers of food products, including those from the IBC members.

At various meetings at the authorized state agencies, IBC managed to defend the position of business. Currently, the draft law covers the ban on the use of plastic bags in the biosphere zone of Lake Issyk-Kul.

Initiative to include companies in the Register of investment projects by the EEC decision.

IBC carried out work on the inclusion in the Register of investment projects under the ECE 7.1.11 Decision providing for the provision of customs benefits for the import of raw materials from third countries for the production of goods, if there are no analogues of such raw materials in the EAEU market.

IBC proposed the initiative to provide customs exemptions back in 2017 and it was reviewed by the Ministry of Economy of the Kyrgyz Republic. The authorized state body supported this initiative and made appropriate amendments to the legislation of the Kyrgyz Republic, providing for the concept of investment projects under which customs privileges are granted for companies importing raw materials from third countries for the production of goods in the Kyrgyz Republic. This means the creation of a competitive environment with the goods produced in the EAEU member countries.

The register of investment projects under the Decision EEC 7.1.11 includes IBC members who produce food products and packaging material for food products. The registry is currently being approved by EEC.

The Commission also considered such issues as the requirement for the use of cash registers between legal entities, the exclusion of tax benefits for food enterprises, an increase in sales tax from 2% to 5%.

Significant success was achieved in the issue of increasing the sales tax from 2% to 5%. Taking into account the IBC position, the authorized state bodies abandoned this initiative and officially removed the issue from consideration.

Tobacco Industry Commission

Initiative to recall the official position of the Kyrgyz Republic on the Joint Action Plan of the CIS member states to prevent the negative impact of tobacco on public health. Since 2017, the commission has actively worked on the issue of recalling the official position of the Kyrgyz Republic developed by the Ministry of Health of the Kyrgyz Republic without taking into account the views of the business community, on the Joint Action Plan of the CIS member states to prevent the negative impact of tobacco on public health. In 2018, the position was withdrawn. Currently, work is underway to develop a position taking into account the views of the business community.

Initiative to tighten the conditions for regulating the turnover of tobacco products. In 2018, at different times and by different deputies, the Kyrgyz Parliament submitted for public discussion the draft Law “On protecting the health of citizens of the Kyrgyz Republic from the consequences of tobacco consumption and exposure to surrounding tobacco smoke”.

The adoption of the draft law in the proposed wording could have negative social and economic consequences: an increase in the burden on the business, an increase in the shadow market for tobacco products (smuggling and counterfeit) and, as a consequence, reduction in state budget revenues, deterioration in the quality of tobacco products due to counterfeit inflows, and deterioration in the health of the population.

IBC repeatedly sent positional statements on this issue and, thanks to the organization's arguments both bills were removed from the public discussion.

A similar bill was submitted for public discussion by a group of MPs. Work to prevent obstacles to the tobacco industry continues.

Commission on the FEZ entities

Problematic issues of the FEZ entities related to the interaction with the General Directorate of the Bishkek FEZ. The commission from among the entities of the Bishkek FEZ and IBC members considered the issue of unreasonable increase in payment for the right to carry out activities for some entities, despite the concluded contract on working conditions in the FEZ territory. The IBC brought this issue to a meeting of the Business Development and Entrepreneurship Council at the Parliament Speaker but the expected result in relations with the General Directorate of the Bishkek FEZ was not achieved.

On the basis of additional information from the FEZ entities, an Action Plan was drawn up on the issues of the Bishkek FEZ activities, which was submitted to the Bishkek FEZ General Directorate. The plan includes proposals for resolving problematic issues arising during the interaction between the General Directorate and the FEZ entities.

The FEZ General Directorate sent IBC proposals to conclude a memorandum of cooperation and to conduct meetings on a quarterly basis for a detailed analysis of specific cases individually with the FEZ entities.

Initiative to extend the tax benefits for the FEZ entities. The Commission also assists the FEZ entities in the issue of extension of tax benefits, which have become invalid since January 1, 2019. The IBC received a collective appeal from the FEZ entities, which was redirected to the Office of the President of the Kyrgyz Republic. The President's Office requested the official position of the Ministry of Economy of the Kyrgyz Republic on this issue and proposed to work out alternative approaches that could maintain a favorable investment climate at the Bishkek FEZ.

IBC proposed to consider the possibility of extending the tax benefits that were in effect in respect of the FEZ entities until January 1, 2019, or to provide tax benefits for the FEZ entities if there are no analogues in the local market. The fact of the presence or absence of analogues in the domestic market should be based on factual data but not arguments about the intentions to enter the market of potential investors. Work on this issue continues.

3. IBC COMMITTEES AND PARTICIPATION IN LEGISLATIVE PROCESS

3.1. IBC Mineral Resources Committee (MRC)

In the reporting year, three Committee meetings were held to consider the following issues: 1) improvement of the procedure for export and import of ores and concentrates containing precious metals; 2) application of compensatory measures when felling particularly valuable tree species; 3) terms for approval of a labor quota for foreign citizens by the Government of the Kyrgyz Republic; 4) draft Environmental Code; 5) disclosure by public companies of individual beneficiaries in obtaining licenses for subsoil use; 5) distances for blasting operations in open mountain areas; 6) proposals and comments to the new Law on Subsoil with a view to their subsequent submission to the State Committee for Industry, Energy and Subsoil Use of the KR (SCIESU) for consideration; 7) about the possibility of holding Minex mining forum in Kyrgyzstan.

The Committee secretariat (IBC staff) distributed on a regular basis other drafts of regulatory acts and necessary information among IBC members, and also collected, compiled and sent the received comments and suggestions to the relevant state bodies.

It is necessary to highlight the following positive results of the committee's activities during the reporting period.

The research on total contribution of gold mining to the economy of the Kyrgyz Republic and the possible impact of existing fiscal initiatives on it was completed

In January-February 2018, preliminary results were obtained from a comprehensive study conducted by Ernst & Young under the order of IBC and the SCIESU.

The results of the study were discussed with mining companies, experts in the field of subsoil use, as well as relevant ministries and departments. The main results were presented to the Government Office of the Kyrgyz Republic and the Parliament to receive comments on the report, ensuring that the views of all stakeholders were taken into account.

On March 14, 2018 IBC held a roundtable to present the results of the study to the general public. The results of the study were presented separately to the Prime Minister of the Kyrgyz Republic, members of the Government of the Kyrgyz Republic and members of the Parliament Committee on Fuel and Energy Complex and Subsoil Use. The presentation of the results was attended by a group of E&Y experts from Astana, who conducted the study in Bishkek. Following the presentation, joint recommendations were adopted to improve the business environment in the country's mining industry.

Background to the study

2012-2017 — the Parliament initiative on the introduction of export customs duties on the export of ore and concentrates in the amount of not less than 25% of the customs value of the goods;

2016-2017 — an alternative initiative of the Ministry of Economy of the Kyrgyz Republic to increase the tax rates on income in relation to gold ore and gold concentrate by 3%.

The main objectives of the study

- Calculation and analysis of the full socio-economic contribution of the non-ferrous metals sector to the economy of the Kyrgyz Republic for 2014-2016;
- Assessing the tax burden in the sector and comparing it with that in some countries — neighbors of the Kyrgyz Republic;

- Assessing the impact of the proposed fiscal initiatives on the total contribution of the sector;
- Conducting a brief analysis of reforms in the mining industries of some countries (Mongolia, Kazakhstan, Chile, Peru, and Tajikistan), whose experience may be interesting and useful for the development of the mining industry in the Kyrgyz Republic.

Approval of the cutting rules for especially valuable tree species

On December 31, 2018 the rules for cutting especially valuable tree species were approved by the Government of the Kyrgyz Republic, and from mid-January 2019 entered into force.

Subsoil users can now create the necessary infrastructure for their activities, as well as pay compensation to the state for planting particularly valuable tree species. Trees will be planted by government agencies.

Background. In 2017, representatives of subsoil users from among the IBC members approached the organization with a request to assist in the development and adoption of the Rules for the cutting of especially valuable tree species.

By the time of the appeal, this issue had not been resolved for several years. Under such circumstances, the activity of subsoil users was difficult. In addition, in some cases, the cutting of especially valuable tree species was carried out illegally, which caused environmental damage.

In the course of repeated appeals to the authorized state bodies, it was possible to develop a draft document that provided for the obligation to make compensatory plantings of especially valuable tree species by the subsoil users. However, this approach did not meet the interests of subsoil users and in fact established enslaving and unrealizable conditions for the business community.

In this regard, IBC brought this issue to a meeting of the Business Development and Investments Council under the Government. The authorized state body was entrusted to develop cutting rules taking into account the opinion of the business community.

As a result of meetings at various venues, it was possible to work out a draft document that took into account the interests of the state and the business community.

The Parliament Committee of the Fuel and Energy Complex approved the Action Plan on topical issues in the subsoil use

On November 27, 2018, at the initiative of the Parliament Committee on the Fuel and Energy Sector and Subsoil Use and IBC, a roundtable was held with the participation of the SCIESU on the topical issues of subsoil use in the Kyrgyz Republic. In preparation for the event, the IBC Mineral Resources Committee members formed a list of topical issues of business entities in the field of subsoil use. The list of topical issues was reviewed at the roundtable and recommended for approval by the Parliament Committee of the Fuel and Energy Complex of the Kyrgyz Republic.

On January 22, 2019, at the meeting of the Committee of the Fuel and Energy Complex, the Plan of measures was discussed and approved and submitted for execution to the executive authorities.

More information about the results of the roundtable can be found on the IBC website.

Use of technogenic formations by mining companies

IBC has previously appealed to the Government of the Kyrgyz Republic with a request to resolve the issue of mining companies using technogenic formations (dumps of overburden and reworking tailings) in their activities.

According to mining projects, the overburden rocks can be used for dumping intra-career and on-site roads as a road-building material, as well as a building material for building tailing dams and water bodies in the form of concrete aggregates, shore protection material of rivers and bridges, masonry enclosing walls, garden structures, decorative finishes, etc. However, the legislation of the Kyrgyz Republic does not regulate the procedure for using the technogenic formations.

Following the results of the IBC's appeal and the consultations with the SCIESU management, appropriate amendments to the legislation of the Kyrgyz Republic will be initiated, aimed at resolving the issue of the use of man-made formations (SCIESU letter, ref. No. 06-4 / 716 of January 21, 2019).

Revision of the distance for drilling and blasting operations by mining enterprises

At the IBC Mineral Resources Committee meeting, the issue of excessive demand for the distance of drilling and blasting operations in open mountain areas was raised. With the adoption of the new Safety Rules for blasting operations in September 2016, the distance was 20 meters instead of the 8 meters previously defined.

As a result of the official appeal and consultations with the SCIESU leadership, an agreement was reached on the need to amend the Rules for conducting drilling and blasting operations in mountain areas, allowing reducing the size of the restricted area from the nearest charge in consultation with the authorized body. A working group to draft amendments was formed at the SCIESU from among the IBC members.

The SCIESU submitted the draft amendments for public discussion.

IBC proposals for judicial reform

In 2018, IBC developed a package of proposals on improving the judicial system and ensuring the rule of law in the Kyrgyz Republic and submitted it to the Government of the Kyrgyz Republic. Some proposals on reforming the judicial system were included into the draft Action Plan for the implementation of the State Target Program "Development of the judicial system of the Kyrgyz Republic for 2018-2022".

The Action Plan included proposals for the open access of statistics for each judge; the introduction of the private enforcement agents institution; audio recording of lawsuits; notifying the lawsuit participants by e-mail; publishing the schedule of court sessions in electronic form and posting an electronic version of all materials of economic cases for which decisions were made; mandatory publication of electronic versions of court decisions and materials on economic matters, etc.

Earlier, IBC presented these proposals at a meeting of the Business Development and Entrepreneurship Council at the Parliament Speaker. Following the meeting, the Parliament Committee recommended to consider the IBC proposals. IBC Executive Director Askar Sydykov voiced the opinion of the business community on this issue at a meeting of the President of the Kyrgyz Republic Sooronbai Jeenbekov with representatives of the business community on September 17, 2018.

Currently, there is a rule according to which the established percentage of funds recovered in favor of the state as a result of judicial acts in criminal cases initiated by law enforcement / supervisory authorities is transferred in favor of such a body. This rule leads to the fact that the security bodies initiate and transfer cases to the judicial authorities on

business issues without sufficient legal grounds, in order to receive the fixed percentage of funds in accordance with the above rule (Regulation of the Government of the Kyrgyz Republic of June 22, 2018 No. 298).

IBC proposed to consider alternative methods of stimulating the activities of law enforcement agencies that are not related to collecting money from private business entities.

IBC proposed to conduct audio recording of court sessions along with paper logging using audio recording media (voice recorder, mobile phone, etc.). Here is only a part of the IBC proposals on judicial reform. The full package of proposals can be found at the [link](#).

IBC proposals on the Open Government Action Plan

IBC took an active part in the development of proposals for the National Action Plan of the Open Government Initiative.

On May 15, 2018, at a meeting organized by the Secretariat of the Business Development and Investment Council, the IBC representatives proposed to create an institution of private law enforcement officers; in the database of the NLA Information Center "Toktom" to create links to the EAEU technical regulations; to send electronic versions of NLA projects submitted for public discussion to business associations.

The Open Government Partnership (OGP) is a multi-stakeholder initiative aimed at realizing governments' commitments to ensure transparency, empower citizens, combat corruption, and use new technologies to enhance governance. In November 2017, the Kyrgyz Republic joined the OGP, which unites 74 states and 15 regional governments that promote the Open Data Disclosure Initiative. More about the initiative: www.ogp.el.kg

Work on individual complaints of IBC members about illegal actions of law enforcement and regulatory authorities

In 2018, companies from among the IBC members turned to the IBC on issues related to illegal actions / inactions by law enforcement, fiscal and regulatory state bodies.

Among such issues were:

1) Illegal initiation of criminal cases and arrest of top management of companies on the facts of tax evasion, when court appeals were pending in the judicial authorities of the country and did not enter into force. IBC addressed those facts to senior officials of the country, informing them of the situation and arguments regarding the negative impact of such facts on the investment climate in the country.

2) Illegal inaction on the part of law enforcement agencies and local governments on the fight against illegal mining in the deposit of subsoil users, as well as ignoring the issuance of permits for work related to the operating activities of subsoil users. IBC sent information to the Office of the President of the Kyrgyz Republic on the basis of the consideration of which instructions were given to regional prosecution bodies with a view to taking appropriate measures against officials of local governments who violated the laws of the country, as well as individuals engaged in illegal extraction of natural resources at subsoil users. As a result, work permits were obtained in full and measures are being taken to combat the illegal extraction of natural resources in the fields.

3) Illegal additions of taxes and other payments from the fiscal and regulatory authorities carried out under pressure from law enforcement agencies. IBC sent official appeals to the Office of the President of the Kyrgyz Republic, and submitted these issues for consideration at roundtables with the participation of Parliament deputies. As a result, the work is being carried out and on some issues there is a certain dynamics including the possibility of revising the legality of the additional charges.

3.2. IBC Fiscal Policy Committee

In 2017, three Committee meetings considered the following issues: 1) the interaction of dominants in the industry markets with the authorized state body of anti-monopoly regulation; 2) projects of electronic invoices and the procedure for their completion; 3) draft Law of the Kyrgyz Republic “On Auditing”; 4) draft Law of the Kyrgyz Republic “On Amendments to Certain Legislative Acts in Connection with the Signing of the Treaty “On the EAEU Customs Code”; 5) specifics of taxation of agricultural equipment when importing / supplying into the territory of the Kyrgyz Republic; 6) exemption from income tax for enterprises producing dairy, meat and other agricultural products; 7) draft Law of the Kyrgyz Republic “On introducing changes to a number of regulatory legal acts on state social insurance”; 8) draft amendments on the regulation of incentive lotteries to the Law of the Kyrgyz Republic “On Lotteries”.

The Committee secretariat (IBC staff) regularly circulated other draft regulations and information among the IBC members, and also collected, compiled and sent the received comments and suggestions to the relevant state bodies.

The following positive results of the committee’s activities during the reporting period should be noted:

On introduction of labeling of consumer goods

IBC took an active part in defending the position of the IBC members — producers of dairy products, soft drinks, and tobacco products.

The Government of the Russian Federation strongly recommended that the Government of the Kyrgyz Republic include these goods in the list of goods requiring mandatory labeling. The Government Office of the Kyrgyz Republic proposed that the Ministry of Economy of the Kyrgyz Republic include these goods under labeling requirements, which would lead to a significant increase in the cost of goods produced by local companies.

In 2017-2018, thanks to the IBC active participation in resolving this issue, it was possible to defend the position of the business. Dairy products, soft drinks and tobacco products were not included in the list of goods to be labeled.

Meeting with the State Tax Service (STS) Chairman

On July 26, 2018, the STS leadership headed by Chairman Tenizbek Abjaparov met with IBC members — representatives of big business in the country. The STS employees informed on the initiatives in tax legal relations and answered questions from the business community. The STS Head gave specific instructions to the departments on the voiced problems of companies. Based on the signed memorandum of cooperation, representatives of the State Tax Service regularly participate in meetings of the IBC Fiscal Policy Committee to jointly work out solutions to topical issues in taxation.

A moratorium on conducting inspections of business entities adopted

In July 2018, the Ministry of Economy of the Kyrgyz Republic presented the draft Resolution “On the introduction of a temporary ban (moratorium) on inspections conducted by law enforcement, tax and other authorized bodies entitled to conduct inspections of business entities”. The moratorium was designed to support economic activities of business entities, ensure their legal protection, eliminate unreasonable and unnecessary interference

of state regulatory bodies in the activities of business entities, as well as in the framework of measures to create a favorable investment environment.

IBC took an active part in the development of proposals and amendments to the draft resolution.

On December 17, 2018, the draft resolution was signed by the Prime Minister. Since January 1, 2019, the moratorium applies to inspections of business entities conducted by ten authorized state bodies.

Initiatives to increase the sales tax from 2% to 5% were suspended

On August 6, 2018, the Ministry of Economy of the Kyrgyz Republic supposed to increase the sales tax from 2% to 5%. The main goal of the initiative, according its authors, was to reduce the shadow economy by increasing the share of non-cash payments. According to the Ministry of Economy, the increase in the sales will be an incentive for businesses to switch from cash payments to non-cash payments that are not subject to sales (according to Article 319 of the Tax Code of the Kyrgyz Republic). To study the feasibility of the initiative, an IWG was created from representatives of the Ministry of Economy, the expert community and the business community.

As a result of the fact that the IBC and other representatives of the business community actively opposed this initiative, the Ministry of Economy recalled its initiative to increase the sales tax from 2% to 5%.

3.3. IBC Financial Market Committee

During the reporting period, two committee meetings were held, which addressed the following issues: 1) participation of domestic banks in the 40th International Financial Industry Forum SWIFT (Sibos 2018, Australia, Sydney) on building and expanding partnerships (opening direct correspondent accounts) of domestic banks with foreign transnational banks; 2) development of Committee's recommendations on the reform of the State Financial Intelligence Service; 3) activities of the State Expert Service on the examination of the valuation of collateral in case of arising litigation on credit disputes between banking institutions and borrowers; 4) results of the study of the market of wages and compensation; 5) amendments and additions to the Law of the Kyrgyz Republic "On the Securities Market" in order to ensure the participation of qualified investors in the stock market of the Kyrgyz Republic; 6) changes and amendments to the Law of the Kyrgyz Republic "On the Securities Market" in terms of optimizing the requirements for participants in the securities market.

The following completed and intermediate positive results of the committee's activities for the reporting period should be noted.

Meeting with the Chairman of the State Service for Regulation and Supervision of the Financial Market under the Government of the Kyrgyz Republic

On September 28, 2018, at a meeting with Chairman of the State Financial Supervision Agency, Sanjar Mukanbetov, a list of topical issues in the audit and insurance sectors was reviewed. Based on the results of the event, recommendations were adopted.

Roundtable with the participation of the State Service for Combating Economic Crimes under the Government of the Kyrgyz Republic

On November 6, 2018, actual problems of entrepreneurship were considered at a meeting with representatives of State Service for Combating Economic Crimes at the round table “Dialogue with business / investors”. The meeting was attended by representatives of the OSCE Program Office in Bishkek, heads of IBC and JIA business associations, representatives of the business community, State Customs Service, State Tax Service, and other government agencies.

IBC initiative groups for the development of draft laws in the framework of cooperation with the Jogorku Kenesh of the Kyrgyz Republic

In 2018, IBC continued cooperation with the Jogorku Kenesh of the Kyrgyz Republic and strengthened cooperation with the Respublika — Ata-Jurt parliamentary faction. To resolve topical issues of the business community, IBC initiative groups were formed to develop a number of draft laws for further submission to the parliamentary faction.

The initiative group on the development of a draft law on the removal of joint stock companies with state participation from the action of the Law of the Kyrgyz Republic “On Public Procurement”

Currently, the Law of the Kyrgyz Republic “On Public Procurement” of April 3, 2015 No. 72 extends its effect to commercial organizations in which the state and (or) local governments, together or separately, own 50 percent of shares or more. According to the business, this situation is ineffective from both an economic and a legal point of view.

The protracted and bureaucratic procedures established by this law inhibit the economic activity of commercial enterprises. Although the state is a major shareholder, this does not cancel the fact that a joint-stock company is a commercial organization with a private form of ownership.

For example, in CJSC Alfa Telecom (IBC member) 100% of shares belong to the state. The company purchases goods, services and consulting services in accordance with the Law “On Government Procurement”. The established requirements affect the efficiency of the procurement, and in the absence of proposals, the tender is declared invalid and the tender must be announced again. Accordingly, the procurement process is delayed. A similar situation is with other companies with a state share of 50% or more.

The current situation does not allow such companies to develop at the proper level and compete with other commercial organizations.

The IBC initiative group prepared draft amendments and sent them to the Respublika — Ata-Jurt parliamentary faction to submit for public discussion.

Initiative to draft a law introducing the concept of encouraging lotteries into the Law of the Kyrgyz Republic “On Lotteries”

On June 20, 2017, a new version of the Law of the Kyrgyz Republic “On Lotteries” dated May 10, 2017 No. 78 came into effect. The Law “On Lotteries” provides for mandatory requirements for the procedure for conducting lotteries by the organizers of professional, state and promotional lotteries. At the same time, the text of the law does not fully take into account the peculiarities of conducting stimulating lotteries.

The practice of encouraging lotteries (promotions) is developing in Kyrgyzstan. Promotions are carried out by representatives of almost all businesses including manufacturers / distributors, retail chains, developers, tour operators, Internet bloggers, etc.

A special feature of promotions is that participants do not purchase lottery tickets. The purchased goods / works / services act as lottery tickets, and the lottery itself is a free additional opportunity for participants to receive a financial gain (in other words, a bonus from the purchase of goods / works / services).

The initiative group drafted amendments, which were sent to the Respublika — Ata-Jurt parliamentary faction and submitted for public discussion.

The initiative group to develop the bill to optimize the timing of the examination of court cases on the recovery of property

The initiative group drafted amendments to the Civil Procedure Code and the Criminal Code of the Kyrgyz Republic in terms of bringing independent appraisers to responsibility for giving a false conclusion, and amending the Law of the Kyrgyz Republic “On Pledge” in terms of the procedure for determining the initial selling price, which will allow: a) speed up the property appraisal process in court proceedings; b) reduce the burden on experts of the State Forensic Service; c) reduce the accrual of interest and appropriate sanctions during the examination period.

The draft amendments were sent to the Respublika — Ata-Jurt parliamentary faction and submitted for public discussion.

In the Kyrgyz Republic, there are 25 commercial banks, 144 microfinance organizations and 106 credit unions that obtained the relevant licenses or certificates of the NBKR and carry out their activities in lending to businesses and individuals through their divisions (branches, savings banks and etc.). The State Forensic Service cannot physically execute the judicial acts that entered into force.

A long term in court proceedings for the recovery of property has a negative effect on investments in the banking sector, given that banks issue loans at the expense of borrowed funds from depositors.

The general procedural period for the recovery of mortgaged property, established by law, is not less than nine months. At the same time, the time spent by the bank is not taken into account for pre-trial work with problem borrowers, preparation and registration of notices and notices, acceptance into production by judicial authorities and actual time for conducting a forensic examination by SFS experts (more than 2 years).

In addition to the deadlines indicated above, the law also establishes deadlines for filing appeals against court decisions, adjudicating in courts of second and third instances that are used unfair clients.

3.4. IBC Tourism Committee

In 2018, the following issues were discussed at the Committee meetings: 1) Preparation for the summer tourist season; marketing strategy, standards in tourism; 2) Results of the BGI Tourism Support Project; 3) Creation and promotion of tourist products; 4) Role of classifiers in the tourism industry; classification of tourist accommodation; 5) Classification of catering places; organization of tourist catering; 6) Training of personnel in accordance with the needs of the tourism sector.

The IBC Tourism Committee unites representatives of the HoReCa business, as well as tourism service providers. The Committee aims to promote the tourism attractiveness of Kyrgyzstan abroad, create favorable conditions for the tourism development including the improvement of the legislative framework and exchange of experience.

The following positive results of the Committee’s activity for the reporting period should be noted.

Classification of tourist accommodation and catering in Kyrgyzstan presented

On February 14, 2018, at the meeting of the IBC Tourism Committee, various classifications of tourist accommodation in Kyrgyzstan were discussed, as well as the personnel training. The meeting was attended by representatives of the HoReCa Club, Skills Development Fund (ADB project), Silk Road Tourism Association, the Tourism Department under the Ministry of Culture, Information and Tourism of the Kyrgyz Republic, IBC members and partners.

HoReCa Club experts told about the classification of tourist accommodation and catering. Coordinator of the Skills Development Fund spoke about the training program for workers in Kyrgyzstan in accordance with the needs of the tourism sector. The classification of tourist accommodation and catering is necessary not only for the development of small and medium-sized businesses, but also for Kyrgyzstan's economy as a whole, the meeting participants concluded.

3.5. IBC Intellectual Property Committee

In 2018, the Committee carried out work in the following areas:

Drafting a law aimed at improvement of the procedure for securing evidence before filing a lawsuit in court

In 2018, upon the request of IBC members, a draft law "On Amendments to the Civil Procedure Code of the Kyrgyz Republic" was initiated through the Parliament. The bill is aimed at improving the procedure for providing evidence before filing a lawsuit in court. This need arises with a potential claimant when there is a real danger that the evidence will be destroyed by the defendant. The bill has passed the public comment procedure.

Drafting amendment to the Criminal Procedure Code of the Kyrgyz Republic on issues of intellectual property protection

According to the current Criminal Procedure Code of the Kyrgyz Republic No. 62 of June 30, 1999, crimes committed in the field of intellectual property that are minor crimes and less serious crimes are classified as private-public charges, which makes it possible to initiate and terminate criminal prosecution both at the initiative of the law enforcement agency and the statement of the injured party.

However, due to the entry into force of the new Criminal Procedure Code of the Kyrgyz Republic in 2019, this procedure for criminal prosecution will be of a different nature. According to Article 23 of the Code of Criminal Procedure No. 20 of February 2, 2017, for crimes committed in the field of intellectual property, criminal prosecution will be carried out in a public manner.

In this regard, the Committee members drafted relevant amendments to the CPC of February 2, 2017 No. 20, which is planned to be sent to the relevant Parliament Committee.

The Committee includes now information technology issues

To increase business efficiency, competitiveness and management quality, the businesses should introduce modern information technologies (IT).

To discuss issues of information technologies and the unification of specialists in this area, it was decided to expand the range of issues considered by the Committee which is now called the IBC Committee on Intellectual Property and Information Technologies.

The Committee aims to develop the intellectual potential of the domestic business and increase the competitiveness of the country's economy. The Committee actively interacts with the State Service for Intellectual Property and Innovation under the Kyrgyz Republic (Kyrgyzpatent) on improving the legislation of the Kyrgyz Republic in this area.

3.6. IBC Human Resources Committee

In 2018, the Committee carried out active work in the following areas:

The statute of limitations in labor disputes regarding the collection of wages was introduced

In accordance with Article 414 of the Labor Code of the Kyrgyz Republic, the limitation period does not apply to labor disputes related to the recovery of wages. This allows the employees, who believe that their rights were violated upon termination of the employment contract in part of the payment of wages, to apply to the court for the restoration of the violated rights at any time. In practice, there were cases when workers, after a long period of time (5 years or more), applied to the court with a claim to collect wages. At the same time, the accrued fines may significantly exceed the actual wage arrears, and this allows the unscrupulous employees, in order to receive the maximum payment from the employers, to deliberately delay the time for applying to the judicial authorities.

Enforcement of the above norm of the Labor Code of the Kyrgyz Republic contradicts the balance of rights and interests of the employee and the employer, where the employer is at a disadvantage with the employee.

After consideration of this issue at the committee meeting, a working group was created from among the IBC members. Following the work of the WG, a position reference was sent to the Government of the Kyrgyz Republic and the Ministry of Labor and Social Development of the Kyrgyz Republic. On February 19, 2019, the Ministry of Labor, in a reply letter, expressed readiness to work out the IBC initiative within the framework of the issues being considered for the inventory of labor legislation of the Kyrgyz Republic. The issue is currently under consideration.

Changes in the Regulations on the provision of temporary disability benefits (sick leave), maternity benefits (Regulations) entered into force on October 12, 2018

According to the new Regulations, each person working in high-altitude and hard-to-reach zones will be paid 100%, regardless of work experience. Also, the rules for referring long-ill workers to a medical examination were excluded from the new Provision. In this regard, unscrupulous employees have the opportunity to abuse their right to receive temporary disability benefits.

The provision does not provide for the principle of parity between the employee and the employer, and the employer is at a disadvantage with the employee.

After discussing this issue, a working group was created from among the IBC members, on the results of which a position reference was sent to the Government of the Kyrgyz Republic and the Ministry of Labor and Social Development of the Kyrgyz Republic. The issue is currently under consideration. It was included in the Action Plan on topical issues of the subsoil use sphere, and approved by the Parliament Committee on the Fuel and Energy Sector and Subsoil Use.

Possibility of introducing the citizenship by investment (CBI) mechanism in the Kyrgyz Republic was suggested

This issue was considered at the meeting of the for Business Development and Entrepreneurship Council at the Parliament Speaker on October 16, 2018. Following the results of the meeting, the Government of the Kyrgyz Republic recommended:

1) to study the feasibility of introducing a system of attracting investments in exchange for the provision of a residence permit / citizenship (investment citizenship) in the Kyrgyz Republic, including taking into account the consideration of the option of attracting investments in national projects, identifying priority sectors of the economy and regions. 2) In case of confirmation of the expediency with the participation of the business community, to draft an appropriate amendment to the legislation of the Kyrgyz Republic taking into account international practice and submit it to the Jogorku Kenesh of the Kyrgyz Republic within three months.

Following the consideration of this issue, the Ministry of Economy reported that it was developing a new version of the Law of the Kyrgyz Republic “On Investments in the Kyrgyz Republic”, under which it is planned to create additional effective mechanisms to encourage investment.

The IBC Human Resources Committee works in the following main areas:

- 1) Interaction with the educational sector;
- 2) Development and promotion of proposals for the improvement of labor legislation;
- 3) Promotion of standardization and certification of HRM specialists;
- 4) Creating a platform for discussing topical HRM issues.

4. CORPORATE DEVELOPMENT

4.1. IBC members

As of December 31, 2018, IBC united 100 members, including 71 corporate, 14 associate and 15 honorary members. You can find the IBC membership list in the Annex 3.

In 2018, 6 new members joined IBC:

- 1) Adji-Service LLC — category A, December 3, 2018 (drilling and blasting);
- 2) Representative office of JTI Kazakhstan LLP in the Kyrgyz Republic — category B, August 8, 2018 (tobacco industry);
- 3) Jasper Gold Corp. — category C, January 9, 2018 (mining industry);
- 4) Halyk Bank Kyrgyzstan OJSC — category D, July 4, 2018 (banking sector);
- 5) Ak-Sai Travel LLC — category D, December 7, 2018 (tourism);
- 6) ST.art Ltd — category D, November 11, 2018 (manufacturing printed products).

For 2018, two IBC members increased their categories:

- 1) Coca-Cola Bishkek Bottlers CJSC — from category B to A;
- 2) Ernst & Young LLC — from category D to C.

IBC constantly works with its members in two directions — maintaining the loyalty of existing members and attracting new ones. Membership loyalty is maintained through the introduction and successful operation of a CRM system that tracks every interaction with organizations.

4.2. Website

IBC continues improving its website www.ibc.kg, and now all site materials are available in the mobile version. The site contains information for investors on the legislation of the Kyrgyz Republic (including draft regulatory acts), analytical articles and expert opinions, IBC news, including news from IBC partners, as well as investment researches and IBC Weekly News. A new section on the Economic Journalism Club was added.

Information on recent business events, as well as events planned or held by IBC is published.

The website provides up-to-date information about upcoming business forums, conferences, seminars, trade fairs and other events in the Kyrgyz Republic, the EAEU and other countries. Publications are updated on a regular basis and are available in three languages (Kyrgyz, Russian and English).

4.3. Weekly Newsletter

In 2018, the IBC Weekly Newsletter's design was improved, and it is now available in a readable short version with links to more detailed information posted on the IBC website. The weekly contains various headings, and its subject matter is expanding. This is information about the IBC events for the last week, news from the IBC member companies, information about the latest changes in legislation regulating the business activities, as well as IBC publications in the media.

The weekly also informs on the events for the next week, as well as about major business events in the country and abroad for the near future. IBC members can request detailed information about the events at the office of the association.

IBC has been distributing weekly e-mail news among its members since October 2008.

4.4. IBC Executive Team

In 2018, the IBC staff members were as follows:

1. IBC Executive Director – Askar Sydykov;
2. Deputy Executive Director – Daniyar Mederov;
3. Chief Editor of the Investment Now magazine, Media Relations Manager – Lidia Savina;
4. Corporate Affairs Manager – Asel Kuvatova;
5. Financial Manager – Aigul Abduvalieva;
6. Lawyer Dastan Imanaliev;
7. Information Technologies Manager – Vasily Toropchin.
8. Office Manager Asel – Atacheva.

4.5. Office

IBC is located in the offices 113-114 in the 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 a project implemented by IBC.

5.1. The Economic Journalism Club project

The Economic Journalism Club project was launched in July 2018 with the support from the U.S. Embassy in Kyrgyzstan, and ended with a final event on December 13. In the course of the project, a series of discussions, trainings, meetings with top management of the companies and visits to enterprises of the country were held.

The main objective of the project was to increase the journalism capacity through the creation of the Economic Journalism Club (EJC), designed to stimulate the interest of journalists in economic topics, deepen knowledge and skills in studying, analyzing and presenting information on this topic. The business community is interested in the development of economic journalism in Kyrgyzstan, as it will contribute to a more competent and objective coverage of events in the country and will increase economic activity and financial literacy of the population.

The EJC helps create working networks and establish contacts with top management of companies and organizations. The project involved the IBC staff, as well as experts in journalism and economics, top management of the IBC member companies, representatives of leading investment companies, the banking sector, large enterprises and SMEs.

To participate in the contest IBC invited acting journalists, freelancers and novice journalists who want to improve their knowledge in the field of economics and business. Of the 40 applications submitted, 30 candidates were selected, of which 19 journalists and 16 participants had no journalistic experience, and 11 people covered the news in Russian and Kyrgyz.

The project participants listened to 5 intensive modules, visited 9 enterprises in the regions and Bishkek, participated in 5 information sessions with the leadership of major organizations and enterprises of the country.

On December 13, the final event of the project was held. The participants and experts of the project, leading Bishkek journalists were invited to the meeting. The project participants were awarded certificates, and the winners of the competition of journalistic works on economic topics were awarded diplomas and prizes.

According to the feedback from the EJC members, the project was very useful and effective, and they received a lot of unique information directly from business representatives. Currently, the Economic Journalism Club continues to work and serves as a permanent platform for the exchange of information between the media and the business community.

6. NETWORKING AND IBC EVENTS

6.1. Golf Tournament

On September 15, 2018, the IBC 10th anniversary golf tournament took place. The organizers tried to make the event even more interesting and diverse than the previous ones, and, according to the feedback from the participants, it was a success. Over the past years, the tournament has gained its popularity, becoming a special event when socially responsible business and association partners from government agencies, international organizations and diplomatic missions gather in an informal setting.

Every year the number of participants expanded. The tournament has become not only an exciting sporting event, but also a great place for a variety of leisure activities for the whole family. The tournament program was supplemented with entertainment for children.

The photo gallery of the anniversary golf tournament can be found at: [IBC Facebook page](#) and on the [IBC website](#).

6.2. Annual General Meeting of IBC members

On May 24, 2018, the Annual General Meeting of IBC members took place. IBC Executive Director Askar Sydykov reported on the main achievements and business events of the organization over the past year, and on the creation of a new IBC Financial Market Committee. He also presented new members of the association. IBC members, leaders and representatives of leading local and foreign companies, international organizations and diplomatic missions attended the meeting. The importance of the annual meetings lies not only in studying the results of the IBC work, but also in effective networking, direct communication, meeting new members of the association, and exchanging views.

6.3. Roundtable on the study "Extraction and processing of non-ferrous metals in the Kyrgyz Republic: general contribution to the economy and the possible impact of fiscal initiatives on it"

On March 14, 2018, IBC held a roundtable discussion on the results of a study conducted by the Ernst & Young international consulting company. EY experts calculated the total economic contribution of the non-ferrous metals sector to the economy of the Kyrgyz Republic for 2014-2016, assessed the tax burden in the sector, and estimated the impact of the proposed fiscal initiatives on the full contribution of the sector, as well as made a comparative analysis of reforms in the mining sectors of other countries. The event was attended by IBC members, representatives of mining companies and government agencies and experts. The authors of the study proposed options for improving the investment climate in the mining industry of Kyrgyzstan so that the country was ready to fill the gap in state revenues by adding new players to the industry and increasing investment in it. Following the presentation, joint recommendations were adopted to improve the business environment in the country's mining industry.

6.4. Roundtable on legislation in subsoil use

On November 27, 2018, a roundtable discussion on legislation in subsoil use was held. The participants discussed the problems faced by investors in the mining sector of

Kyrgyzstan including inconsistent fiscal policy, unjustified inspections of regulatory bodies and relations with the local population. The event was held at the initiative of the Parliament Committee on Fuel and Energy Complex and Subsoil Use and IBC, with the participation of State Committee for Industry, Energy and Subsoil Use. The roundtable participants adopted a resolution recommending improvements in the conditions for mining companies and the sustainable development of the industry.

6.5. Meeting of the STS leadership with IBC members

On July 26, 2018, the State Tax Service leadership headed by Chairman Tenizbek Abjaparov met with IBC members — representatives of big business in the country. Having told about the initiatives of the department in tax legal relations, the STS employees answered the questions of the business community. The STS Head gave specific instructions to the departments on the voiced problems of the companies. The meeting participants proposed to continue interaction in this format. Based on the signed memorandum of cooperation, STS representatives regularly participate in meetings of the IBC Fiscal Policy Committee, where they jointly work out measures to resolve pressing taxation issues.

6.6. Meeting of the Financial Police leadership with representatives of the business community

On October 17, 2018, the leadership of the State Service for Combating Economic Crimes under the Government of the Kyrgyz Republic (Financial Police) headed by the Chairman Bakir Tairov met with representatives of the business community. The Financial Police leaders reported on the reforms in the departments' activities, and goals and objectives for the short and medium term. IBC representatives voiced business problems and familiarized the meeting participants with the proposals of the association to improve the law enforcement system of the Kyrgyz Republic. The Financial Police officers assured of the readiness to promptly solve emerging issues of the business community.

6.7. Study visit to the Kumtor gold mine

On August 24-25, 2018, IBC organized an excursion to the Kumtor mine for its members and partners. The visitors were shown how gold is mined and produced. They got acquainted with new technologies and equipment, as well as environmental protection programs. The group visited a quarry, a gold recovery factory, a residential camp, and a tailings dam.

7. IBC MEDIA AND PR ACTIVITY

To attract the attention of the public and government agencies to the investment climate issues, as well as to solving problems encountered by the IBC member companies and the business in general, IBC actively collaborated with the media, expanding the forms and interaction methods. IBC maintains constant communication with journalists of analytical TV and radio programs who promptly interview the IBC management and experts directly in the IBC office, and also invite them to record or live in TV studios.

IBC published articles and interviews in the media including television, radio, print and electronic publications, local and foreign, and also participated in press conferences. This contributed to raising awareness not only of stakeholders, but also the general public, as well as promoting IBC initiatives.

7.1. The media

During 2018, all the IBC events were widely covered in the media — on radio and television, in print and electronic media including TV channels — Pyramid, KTRK, EITV, Prime TV, Next TV, Channel 5, newspapers — Komsomolskaya Pravda in Kyrgyzstan, Kyrgyz Tuusu, Vecherni Bishkek, Chui News, ResPublica, Megapolis Kyrgyzstan, The Times of Central Asia, and news agencies — Sputnik Kyrgyzstan, Business Eurasia analytical portal, Kabar, 24.kg, AKIpress (Tazabek), KyrTAG, K-news, Super.kg, Bishkek News, zanoza.kg, izde.kg, for.kg, BULAK.kg, ELGEZIT.KG, as well as Kazakh, Russian and other foreign publications including Rossiyskaya Gazeta, Komsomolskaya Pravda (edition for the Russian Federation), Jewelery Izvestia daily newspaper (Russian Federation), Rambler media portal (Russian Federation), Stan.radar, CA portal, UA.port, Eurasia Daily, News-Asia, Golden Bridge Turkey magazine, etc.

The IBC Executive Director and the IBC committees' members participated in discussions on topical business issues at national TV channels — KTRK (Kapital.kg analytical program and Oi Ordo talk show), EITR, Real Economy (NTS), and others. In total about 400 materials were published in 2018.

Articles and speeches on TV and radio covered the most important business topics.

Subsoil use: the results of a study on the contribution of gold mining to the economy of the Kyrgyz Republic and the possible impact of existing fiscal initiatives on it; new agreement with Kumtor; facts of the use of force to employees of companies with foreign participation (the detention of the General Director of KAZ Minerals Bozymchak); export duties on ores and concentrates containing precious metals; revision of the fee for compensation of losses when using agricultural land by the subsoil users; tariffs for environmental pollution in the Kyrgyz Republic; interaction of subsoil users with the local community, etc.

Business activity within the Eurasian Economic Union (EAEU): the results of Kyrgyzstan's membership in the EAEU; taxation within the EAEU; food and processing industry issues; development of free economic zones.

Energy security of the Kyrgyz Republic: cooperation within the EAEU in petroleum products supply.

Improving the investment climate: investment security and the rule of law; judicial reform; measures to reduce the shadow economy; the possibility of introducing investment citizenship; simplified procedure for obtaining visas for investors; business confidence in the judicial system and law enforcement agencies; creation of a Business Ombudsman institution; increasing the role of business in sustainable development; expansion of the dialogue between the state and business.

Problems of tax and social administration: an increase in the rates of tax penalties for taxpayers; changes and additions to the Tax Code of the Kyrgyz Republic.

With the IBC participation, important issues for the national economy were discussed in the media, such as the new version of the law “On normative legal acts of the Kyrgyz Republic”; stability of the national currency, issues of the credit system; possibility of introducing changes in the regulatory legal framework of the Kyrgyz Republic in the field of insurance; importance of trade missions of the UK and other countries; development of the tourism industry of the Kyrgyz Republic through the introduction of an open skies policy; implementation of regulatory reform in the Kyrgyz Republic, and others.

7.2. Joint project with the Kabar IAC

In February 2017, IBC, jointly with the Kabar Information Analytical Center, launched a joint project, in which a 30-minute video was recorded on Thursdays at 2 pm on topics of concern to the business. The videos were posted on the Kabar website, on social networks, and were also used by local TV channels and news agencies. Videos got a good feedback from the business community and government agencies.

In 2018, more than 20 videos were published on the following topics: legislation prohibiting cutting of especially valuable (walnut and juniper) tree species — how to combine the interests of business and the state; labor market information system in the Kyrgyz Republic; compulsory home and passenger insurance; food safety in the Kyrgyz Republic; increasing financial literacy of the population; new banking tools in Kyrgyzstan; world-class higher education for the development of mountain communities; problems of development of the stock market of Kyrgyzstan; labeling of goods in the EAEU, the benefits and risks; investment regime in Kyrgyzstan; economic journalism development in the Kyrgyz Republic, the role of international organizations; and etc.

8. Annex

1. Report of the IBC Revision Commission for 2018*
2. Balance sheet, statement of cash flows and profit and loss statements for 2018*
3. List of IBC members as of December 31, 2018

Annex 2. Balance sheet, statement of cash flows and profit and loss statements for 2018

BALANCE SHEET in KGS

	<i>2018</i>	<i>2017</i>	<i>2016</i>
Assets			
Cash	554	1 094	461
Short Term Investments	2 760	2 641	2 395
Other assets	82	18	80
Fixed assets (net)	91	172	469
Total assets	3 487	3 925	3 405
Liabilities			
Accounts payable	84	59	38
Other liabilities	121	98	151
Total liabilities	205	157	189
Net assets			
Accumulated income	3 282	3 769	3 215
Total net assets	3 282	3 769	3 215
Total liabilities and net assets	3 487	3 925	3 405

CASH FLOW in KGS

CASH FLOW in KGS	2018	2017	2016
<i>1. Operating activities</i>			
Cash receipts from operating activities	11 984	14 673	13 277
Membership fees	7 889	7 622	6 599
Grants from development partners	3 811	6 848	5 520
Other	284	203	1 158
Total cash receipts from operating activities	11 984	14 673	13 277
Gross payments for operating activities:			
Project costs (grants)	-3 887	-5 267	5 608
Paid operating expenses (services)	-8 494	-8 423	8 315
Income tax repayment	-	-	-
Proceeds from foreign currency transactions	-146	23	707
Total cash paid from operating activities	-12 527	-13 667	14 630
Net cash flow from operating activities	-543	1 006	-1 353
<i>2. Investment activities</i>			
Gross cash inflows from investing activities:			
Cash received from the sale of fixed assets	-	-	-
Other investment income	-	-	-
Total gross investment income	-	-	-
Gross investment payments:			
Cash paid when purchasing fixed assets	81	-135	22
Other payments from investment activities (deposits)	-119	-237	120
Total gross payments from investment activities	-38	-372	142
Net cash flow from investing activities	-38	-372	142
Net change in cash:	-541	634	-1 782
Cash and cash equivalents at the end of the reporting year	554	1 094	461
Cash and cash equivalents at the beginning of the reporting year	1 094	461	2 243

PROFIT AND LOSS STATEMENT in KGS

	2018	2017	2016
Membership Fees	7 889	7 622	6 599
Administrative expenses	- 8 557	- 8 761	- 8 594
Total	- 668	- 1 139	- 1 995
Grants	3 852	6 848	5 520
Project expenses	- 3 887	- 5 267	- 5 520
Total	- 35	1 582	-
Total revenue	362	181	491
Total expenditures	- 146	- 70	- 542
Total profit (loss) before tax	216	553	- 2 047
Income tax expences	-	-	-
Profit (loss)	- 487	553	- 2 047

Annex 3. List of IBC members as of December 31, 2018

Corporate Members

Corporate A

1	Alpha Telecom CJSC (MegaCom)	www.megacom.kg	Akylbek Jamangulov, General Director
2	Alтынken LLC	www.altynken.kg	Zhang Huahui, General Director
3	ADJI Service LLC		Aaly Abakirov, General Director
4	Ayu Garant Insurance Company OJSC	www.agi.kg	Sanjarbek Davletaliev, General Director
5	Central Asia Fez Development Corporation LLC		Lee John Baek, President
6	Coca-Cola Bishkek Bottlers CJSC	www.cccb.kg	Cem Kandemir, General Manager
7	Eti Bakyr Tereksay		Mahir Tezcan, General Director
8	Highland Exploration LLC	www.highlandgold.com	Ulan Kachkynbekov, General Director
9	Imperial Tobacco Kyrgyzstan LLC	www.imperial-tobacco.com	Ainisa Berkutova, General Director
10	ItalKyr CJSC JV (Hyatt Regency Bishkek)	www.bishkek.regency.hyatt.com	Tufan Kobanbay, General Manager
11	Kaz Minerals Bozymchak LLC	www.kazminerals.com	Ilyas Tulekeyev, General Director
12	Kumtor Gold Company CJSC	www.kumtor.kg	Daniel Desjardins, President
13	Kyrgyz Investment and Credit Bank CJSC	www.kicb.net	Kwang Young Choi, Chief Executive Officer
14	Kyrgyzstan Insurance Company CJSC	www.insurance.kg	Maria Adenova, General Director
15	RG Brands Kyrgyzstan LLC		Aibek Borbiev, Managing Director
16	Sky Mobile LLC	www.beeline.com	Yernar Nakisbekov, General Director

Corporate B

17	Bishkek Sut OJSC	www.pepsico.ru	Denis Kononov, General Director
18	Chaarat Zaav CJSC	www.chaarat.com	Davron Vakhobov, General Director
19	Demir Kyrgyz International Bank CJSC	www.demirbank.kg	Sevki Sarilar, General Manager
20	Muza LLC (DHL)	www.dhl.kg	Mirtalib Mukhamedziev, Director
22	Philip Morris Kazakhstan LLP	www.pmi.com	Ksenia Shkolnikova, Official Representative
23	JTI Kazakhstan in the Kyrgyz Republic Representation LLP		Azamat Bootaev, Manager

Corporate C

24	Branch of "British American Tobacco Kazakhstan Trading" LLP in Kyrgyz Republic	www.bat.com	Galina Politaeva, Director
25	Branch of Plasform Ambalaj Sanaii ve Tijaret A.Sh"	www.plasform.kg	Perviz Hazar, General Director
26	FINCA Bank CJSC	www.finca.org	Makhmudzhon Saidakhmatov, Chairman
27	Frontiers LLC	www.frontiers.kg	Taalaibek Djumataev, General Director
28	Jasper Gold Corp.		Alexander Becker, CEO
29	Kalikova & Associates LLC	www.k-a.kg	Aicholpon Jorupbekova, Managing Partner
30	KPMG – Bishkek LLC	www.kpmg.ru	Aida Asyrandieva, Executive Director
31	Kyrgyz Swiss Bank CJSC	www.ksbc.kg	Marlis Duishegulov, CEO
32	Manas Management Company CJSC	www.mmc.kg	Asan Toktosunov, President
33	NUR Telecom LLC	www.o.kg	Vladislav Slepokurov, General Director
34	South Kyrgyz Cement CJSC	www.ykc.kg	Yarema Tomas, General Director
35	TOKTOM Information Center LLC	www.toktom.kg	Kubat Kartanbaev, Director

36	Z-Explorer CJSC (Manas Resources Limited)	www.shambesai.kg	Wentao Li, General Director
37	Elite House LLC	www.elite-house.kg	Timur Faiziev, General Director
Corporate D			
38	Bishkek branch of National Bank of Pakistan	www.nbp.transfer.kg	Muhammad Amin, CEO
39	Alfa Oil LLC (Red Petroleum)	www.redpetroleum.kg	Akylbek Mamatov, CEO
40	Ansar Accountants LLC	www.ansaraccountants.com	Zarylbek Abduvaliev, Managing Partner
41	ARTE Law Firm LLC	www.arte-ip.kg	Saodat Shakirova, Director
42	Bai Tushum Bank CJSC	www.baitushum.kg	Maksatbek Ishenbaev, General Manager
43	Baker Tilly Bishkek LLC	www.bakertilly.kg	Yulia Abdumanapova, Director
44	Branch of Freedom Finance in Bishkek	www.ffin.kg	Bauyrzhan Sydykov, Director
45	Centil LLC	www.centil.law	Azim Usmanov, General Director, Partner,
46	Deloitte & Touche LLC	www.deloitte.kg	Kanyshai Sadyrbekova, Managing Director
47	El Group Consulting LLC	www.el-group.com	Jamilya Imankulova, Executive Director
48	Elsyst LLC	www.elsyst.kg	Daniar Attokurov, General Director
49	Ernst & Young LLP	www.ey.com	Paul Cohn, Audit Partner, Head of Audit for Central Asia
50	GRATA Law Firm LLC	www.gratanet.com	Kanat Seidaliev, General Director
51	Hotel Holiday LLC (City Hotel)	www.cityhotel.kg	Murat Isakov, General Director
52	Ijara Company Kyrgyzstan CJSC	www.ick.kg	Ulan Satyvaldiev, General Director
53	Jubilee Kyrgyzstan Insurance Company CJSC	www.jubileeinsurance.kg	Valeria Khegai, CEO
54	Kant TSP LLC	www.kantslate.kg	Sanjar Kaparov, General Director
55	KBS Group LLC	www.kbsgroup.biz	Kuban Kojomuratov, General Director
56	Kichi Charat CJSC		Wu Xiaogang, CEO
57	Kompanion Bank CJSC	www.kompanion.kg	Margarita Cherikbaeva, Chief Executive Officer
58	Lex Law Firm LLC	www.lex.kg	Yen Vitaliy, General Director
59	Lorenz LLC	www.lorenz-law.com	Aldasheva Narina, General Director
60	Mab-Ula LLC (Jannat Hotel chain)	www.jannat.kg	Bozulan Mamazairov, General Director
61	Marka Audit Bishkek LLC	www.marka-audit.kg	Saltanat Tajibaeva, Director
62	Optima Bank OJSC	www.optimabank.kg	Beibut Kapyshev, Chairman of the Board
63	PricewaterhouseCoopers LLP	www.pwc.ru, www.pwc.com	Gulnara Kairova, Director
64	Sierra Group LLC	www.sierra.kg	Bradley Brenneman, General Director
65	Siut Bulak CJSC	www.dairyspring.kg	Elena Isaeva, Director
66	Sonora LLC	www.sonora.lv	Yanis Mozga, CEO
67	SGS Bishkek LLC	www.sgs.com www.sgs.ru	Azer Mammadov, General Director
68	Ur Asia in Kyrgyzstan LLC		Svetlana Meng, General Director
69	W. Jacobs-Audit CJSC	www.jacobs-audit.kg	Galina Rostokina, Director
70	Vertex Gold Company LLC		Abdykubat Bayalinov, General Director
71	Halyk Bank Kyrgyzstan OJSC		Aikyn Kabulov, CEO
Associate members			
72	Asian Development Bank	www.adb.org	Candice McDEIGAN, Country Director
73	Aga Khan Development Network	www.akdn.org	Shamsh Kassim-Lakha, Resident Representative

74	Crown Agents Limited	www.crownagents.com	Larissa Kokareva, General Manager
75	EBRD – Kyrgyzstan	www.ebrd.com	Neil McKain, Director
76	Embassy of Switzerland in Kyrgyz Republic	www.swisscoop.kg	Véronique Hulmann, Ambassador Extraordinary and Plenipotentiary of Switzerland
77	Helvetas – Kyrgyzstan	www.helvetas.kg	Anja De Beer, Country Director
78	International Finance Corporation	www.ifc.org	Martin Naegele, Country Director
79	KfW Development Bank	www.kfw.de	Ylva Renner-Haerberle, Director of KfW Office Central Asia
80	OSCE Center	www.osce.org	H.E. Ambassador Dr Pierre Von Arx
81	Bishkek International School (BIS)	www.esca.kg	David Grant, CEO
82	UN World Food Program	www.wfp.org	Andrea Bagnoli, Country Director
83	UNDP	www.undp.kg	Ozonnia Ojielo, Resident Representative
84	University of Central Asia	www.ucentralasia.org	Bohdan Krawchenko, Director General
85	United Nations Children's Fund (UNICEF) in the Kyrgyz Republic	www.unicef.org/kyrgyzstan	Yukie Mokuo

Honorary members

86	Andrey Krutko, Ambassador Extraordinary and Plenipotentiary of Russian Federation		
87	Karim Kokrebaev, Ambassador Extraordinary and Plenipotentiary of the Republic of Kazakhstan		
88	Xiao Qinghua, Ambassador Extraordinary and Plenipotentiary of the People Republic of China		
89	Hidayat Khudushoglu Orujov, Ambassador Extraordinary and Plenipotentiary of the Republic of Azerbaijan		
90	Donald Lu, Ambassador Extraordinary and Plenipotentiary of the United States		
91	Monika Iwersen, Ambassador Extraordinary and Plenipotentiary of the Federal Republic of Germany		
92	Cengiz Kamil Firat, Ambassador Extraordinary and Plenipotentiary of Turkey		
93	Talaybek Koichumanov, Secretary of Business and Investment Development Council		
94	Véronique Hulmann, Ambassador Extraordinary and Plenipotentiary of the Swiss Confederation		
95	Robin Ord-Smith, Ambassador Extraordinary and Plenipotentiary of UK		
96	Qazy Habib ur Rahman Republic, Ambassador Extraordinary and Plenipotentiary of the Islamic Republic of Pakistan		
97	Ha Tae-youk, Ambassador Extraordinary and Plenipotentiary of the Republic of Korea		
98	Michaël Roux, Ambassador Extraordinary and Plenipotentiary of the France		
99	Yoshihiro Yamamura, Ambassador Extraordinary and Plenipotentiary of the Japan		
100	Valery Latypov, Trade Representative of the Russian Federation in the Kyrgyz Republic		