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### IBC IN NUMBERS

#### **OUR IMPACT**

During 2021, IBC continued to defend the interests of the business community, working on legislation and protecting investments on various platforms.

Every year, the financial effect of IBC's activities is growing. According to preliminary estimates, as a result of our work in 2021, companies saved at least

more than more than > 36

**BILLION SOMS** 

In terms of the productivity of the staff of the organization, the effect on each member of our team is estimated at more than 4.5 million US dollars per year.

**MILLION USD** 

Considered/resolved issues

615 Work meetings

402 Letters

Organized major events

Participation in business forums and roundtables

IBC committee meetings

50 IBC news weeklies

**850** 

articles and interviews with IBC management published by leading local and foreign television and radio companies and online publications Published
350
the most important changes in the legislation of the Kyrgyz Republic

1300 news of economy, finance, business

**509.16** million soms

Raised funds for projects

611 thousand soms

Income tax

14 million soms

Social Fund and other taxes

## REPRESENTATION ON CONSULTATIVE AND ADVISORY PLATFORMS



The consultative and advisory activities of the organization are carried out at more than 30 platforms created to provide favorable conditions for doing business, including:



ANTI-CORRUPTION BUSINESS COUNCIL UNDER THE PRESIDENT OF THE KYRGYZ REPUBLIC



ADVISORY COMMITTEE ON ENTREPRENEURSHIP UNDER THE EEC BOARD



COUNCIL FOR ECONOMIC REFORM UNDER THE GOVERNMENT OF THE KYRGYZ REPUBLIC



NATIONAL SKILLS DEVELOPMENT COUNCIL



SUPERVISORY BOARD OF THE AUTHORIZED PERSON FOR THE PROTECTION OF THE RIGHTS, FREEDOMS AND LEGAL INTERESTS OF BUSINESS FNTITIES



QUALITY AWARDING COUNCIL OF THE KYRGYZ REPUBLIC



INVESTMENT COUNCIL UNDER THE CABINET OF MINISTERS OF THE KYRGYZ REPUBLIC

### PLATFORMS CREATED WITH THE IBC PARTICIPATION



COMMITTEE FOR THE DEVELOPMENT OF INDUSTRY AND ENTREPRENEURSHIP UNDER THE NATIONAL COUNCIL FOR SUSTAINABLE DEVELOPMENT OF THE KYRGYZ REPUBLIC



BUSINESS AND ENTREPRENEURSHIP DEVELOPMENT COUNCIL UNDER PARLIAMENT SPEAKER



## IMPROVING INVESTMENT CLIMATE



### **INTRODUCTION**

In the context of fluctuations in the business environment resulting from the ongoing pandemic and domestic political events, the IBC work to create a favorable business environment, protect investments and private property in the country has acquired particular importance.

We continued to promote favorable initiatives to preserve and increase investment and support entrepreneurship and the business environment at all available platforms, including at the level of the head of state, government, parliament, as well as among the public and the media.

With the IBC help, a number of major initiatives that could create significant risks for the country's business and investment climate have been suspended, including an economic emergency bill and a hasty revision of most of the legislation ("guillotine").

The opinion of business in some areas was taken into account in the development and adoption of new codes in the criminal law sphere and work was intensified to protect investments. The position of business on innovations in product labeling, the application and rates of excise tax, in labor legislation, as well as in many other important areas was partially taken into account.

As before, IBC remains the main conductor of the voice of business and the business environment of Kyrgyzstan, not only in government bodies, but also among international organizations, financial institutions and diplomatic missions. The financial effect of our activities is growing: according to minimal estimates, business and the economy have saved more than 28 million US dollars thanks to IBC support in 2021. This was reflected in the strengthened investment plans of companies, new jobs and a multiplier effect in the development of the entire economy of the country.

We manage to achieve all these results thanks to the constant support of IBC members and partners, as well as a result of the rapidly developing public-private dialogue and cooperation in the Kyrgyz Republic.



## ASSISTANCE IN THE IMPLEMENTATION OF THE PRESIDENTIAL DECREES ON MEASURES TO PROTECT BUSINESS

IBC promptly supported the measures envisaged by the Presidential Decrees "On the Protection of Property and Support for Entrepreneurs and Investors" and "On Additional Measures to Protect Business Entities."

The Presidential Decrees included IBC proposals in terms of monitoring compliance with the moratorium on inspections, on suspending the initiation of criminal cases on economic crimes, on strengthening the protection of property, entrepreneurs and investors, and excluding unreasonable state interference in the economic activities of business entities.

IBC has repeatedly stated that inspections of business entities had become one of the main problems in the economy. The decrees' measures are aimed at maximum protection of businesses from unreasonable inspections and pressure, increasing investor confidence, creating a favorable investment climate and business environment in the country.

IBC expressed hope that in relation to business, the state will move from a punitive approach to a constructive one, and the implementation of joint measures to support entrepreneurship and carry out reforms aimed at the sustainable development of the country's economy will begin.





## THE OPINION OF BUSINESS ON SOME AREAS OF CODES IN THE CRIMINAL LEGAL SPHERE TAKEN INTO ACCOUNT

IBC took an active part in the discussion of four new codes — the Criminal Code, the Code of Criminal Procedure and the Code of Administrative Offenses of the Kyrgyz Republic, as well as amendments to the Penitentiary Code of the Kyrgyz Republic. As a result, some recommendations of the IBC were introduced into the codes, including the norms where detention is not applied for certain economic crimes against entrepreneurs; on crimes in the field of taxation (the act must be confirmed only by a decision of the tax service or court that has entered into legal force). IBC will continue to work on improving criminal legislation in order to protect the rights of entrepreneurs.

The IBC representative participated in the WG to develop the draft Law of the Kyrgyz Republic "On voluntary legalization and amnesty of property and income of individuals". The bill has now been submitted for public discussion.





# THE "REGULATORY GUILLOTINE" ON THE REVISION OF THE WHOLE LEGISLATION OF THE COUNTRY WAS REJECTED, SOME PROPOSALS IN THE FRAMEWORK OF LEGISLATION INVENTORY CONSIDERED

As a result of numerous appeals and proposals of the Interdepartmental Expert Group on the inventory of the legislation of the Kyrgyz Republic, the Justice Ministry abandoned the regulatory guillotine principle in the inventory of the country's legislative base. The inventory provided for the one-time loss of force of many laws and by-laws, creating a significant risk for the functioning of the entire legal system and business activities. The IBC representative actively participated in the WG.

During the inventory, IBC also submitted its recommendations on bills to amend the law on legal acts. IBC member companies were included in many expert subgroups on the legislation inventory. IBC employees participated in subgroups on issues of justice and law enforcement, labor and social security, economic and financial issues, and on issues in the field of construction, architecture and housing and communal services.





## OBJECTION TO THE INTRODUCTION OF THE EMERGENCY CONCEPT IN THE ECONOMY

IBC voiced the position of the business community on the bill on the introduction of an emergency situation in the economy on various platforms, including the media. On July 29, the Jogorku Kenesh adopted three readings of the law on an emergency situation in the economy of Kyrgyzstan. According to the Cabinet, the bill was developed to prevent a decline in the economy, to create tools for a prompt response.

However, the business community reacted negatively to this initiative. According to IBC, the bill was very controversial, and there were many questions to it. The document gives significant powers to the Cabinet of Ministers and the Economy Ministry. At the same time, it removes parliamentary control over procedures, grants the right to arbitrarily change tax rates, tax administration procedures, and public procurement, introduces rather high penalties, and responsibility for all this.

The reasons for the introduction of this regime were quite extensive: an increase in consumer prices, a GDP fall by a certain percentage, and it was difficult to say how extreme such a fall would be and whether it would be advisable to introduce such a regime.

There was no information on what the introduction of the emergency state in the economy was based on, whether there were examples in international practice. Moreover, according to the bill, RIA is not applied during an emergency situation in the economy.

Businesses had a lot of questions, and therefore IBC suggested holding at least a discussion with the participation of the business community, relevant state bodies and the public in order to assess whether those measures were expedient, proportionate, whether the norms of other laws were violated and what risks this may lead to.

Giving such great powers to the Cabinet of Ministers and ministries creates the risk of abuse of these powers, which can negatively affect the activities of business and the economy if decisions are not made in a balanced way, IBC concluded. There was no guarantee that the Cabinet, when making decisions within the framework of this law, would consult with business.

On August 10, 2021, more than 70 business associations asked President Sadyr Japarov to veto the law. As a result, the bill was rejected by the President and returned to the Parliament, which did not consider this initiative again.



## PROMOTING REFORM IN LABOR LAW

IBC proposals on improving labor law were considered at the Business and Entrepreneurship Development Council under the Parliament Speaker. The business community's proposals for amendments to the Labor Code dealt, in particular, with disputes over the recovery of wages.

According to the Labor Code, the limitation period does not apply to the recovery of wages. IBC proposed to remove this rule. The Interdepartmental Working Group under the Labor Ministry made a number of recommendations to laws related to labor activity, in particular, on temporary disability benefits in high altitude conditions. IBC recommended that such benefits be given only to those who work and live in hard-to-reach areas.

IBC also made a number of recommendations related to labor protection, the activities of trade unions and employers' associations, and a number of other norms related to labor inspection.

Activities to promote the draft law on remote work were continued. Many recommendations were taken into account in the final version of the NLA submitted to the Cabinet of Ministers.





### ASSISTANCE IN RESOLVING INDIVIDUAL BUSINESS ISSUES

#### 1. JUSTICE RESTORED IN THE LITIGATION

At the request of a member of the association, IBC provided assistance in protecting its rights in a lawsuit with one of the state bodies of the Kyrgyz Republic. The issue concerned a major court case of one of the important investors regarding the calculation of the statute of limitations in civil proceedings on land lease issues, as well as the powers and competence of a state body to represent the interests of the state.

As a result of court hearings, a decision was made in favor of the IBC member.

### 2. LEGAL RIGHTS TO PROPERTY PROTECTED

IBC responded to the appeal of one of its members due to the risk of unjustified termination of property rights by a company with a state share.

The issue concerned an agreement on joint activities, according to which the investor received fixed assets for the formation of shares in the authorized capital, which, according to the investor, were revalued. The disputed process reached the phase in which the state body began considering the issue of reducing the investor's share in the authorized capital of the enterprise.

As a result of IBC's assistance, the investor's violated rights were restored.

## ENGAGING IN THE PROCESS OF TAX POLICY REFORM



## SOME IBC PROPOSALS FOR THE NEW EDITION OF THE TAX CODE CONSIDERED

From the very beginning, IBC was actively involved in the discussion of the draft Tax Code of the Kyrgyz Republic, submitting comments and proposals to the draft Tax Code, summarized in a pivot table. IBC was involved at all stages of the discussion of the draft Tax Code, organized various platforms for discussion, and sent analytical reports on various tax issues. The IBC opinion on the need to finalize the draft TC was widely covered in the media.

IBC announced business recommendations on the draft new Tax Code at parliamentary hearings on November 11, 2021. As a result, IBC's fundamental remarks were included in the draft TC.

The new edition of the Tax Code stipulates that the sales tax is 0% for non-cash payments. Initially, it was proposed to abolish the zero VAT rate for non-cash payments, providing a 50% discount in return. In its appeals, IBC emphasized that such a rule could lead to a decrease in the volume of non-cash payments and the withdrawal of part of the business into the shadows. This opinion of the business was taken into account.

During the discussion of the draft Tax Code, IBC supported the initiative of cellular companies to reduce the sales tax rate. As a result, the VAT was reduced from 6% to 5%, and the potential savings of three cellular companies from the tax reduction amounted to 197.5 million soms per year.

IBC also presented a number of recommendations to protect the tax and banking secrecy of taxpayers.



### ASSISTANCE IN REDUCING THE EXCISE TAX ON TONIC DRINKS

Parliament deputies added to the draft new version of the Tax Code of the Kyrgyz Republic a provision on the inclusion of non-alcoholic tonic drinks in the list of excisable goods with a base tax rate of 200 soms per liter.

IBC, together with other organizations, sent comments that there was no need for that rule, about gaps in the legislation that could lead to a broad interpretation of laws. As a result, in the Tax Code of the Kyrgyz Republic, the excise rate on tonic drinks was reduced to 100 soms per liter.

In 2022, IBC continued to work in this direction.

### INVOLVEMENT IN THE PROCESS OF DIGITAL MARKING OF GOODS

During the year, the IBC repeatedly raised the issue of postponing the introduction of labeling of certain products by means of digital identification, including tobacco products and bottled water. As a result of numerous appeals from IBC and a number of meetings, the introduction of mandatory labeling of alcohol and tobacco products with identification tools was postponed until July 1, 2022.

IBC also raised the issue of a double requirement for labeling excisable goods (paper and digital), which entailed an additional financial burden on manufacturers. As a result of the appeal, excises were transferred to digital format.



## SUPPORT FOR ENTREPRENEURS IN REGIONS OF THE COUNTRY



IBC, together with the Peace Nexus Foundation and the Administration of the President of the Kyrgyz Republic, held meetings with entrepreneurs, local communities and local governments in remote mountainous areas of all 7 regions of Kyrgyzstan.

As a result of the meetings, a draft Action Plan to support small and medium-sized businesses was developed and submitted to the government. On behalf of the President of the Kyrgyz Republic, some IBC proposals were sent for execution to the relevant ministries and departments, in particular, on regional development funds, access to financing, etc.

Ways to resolve conflict situations in the mining industry of the Kyrgyz Republic were researched. As a result of the analysis of the identified problems, the main directions on which it is necessary to focus were developed. In particular, to empower structures that facilitate constructive interaction between mining companies and local communities, to create the necessary tools for this with the participation of the main interested groups, to reduce bureaucracy in the issuance of funds from regional development funds (RDFs), including the exclusion of the annual return of RDFs to the state budget.

The Cabinet of Ministers issued a resolution approving the Model Regulations on Regional Development Funds, taking into account the IBC recommendations.



## THE MAIN DIRECTIONS FOR INCLUSION IN THE ACTION PLAN FOR THE SUPPORT AND DEVELOPMENT OF ENTREPRENEURSHIP IN THE REGIONS OF THE KYRGYZ REPUBLIC AUGUST 2021

Expansion of access to financing (analysis of the current state, bureaucracy, requirements for the provision of documents, the possibility of simplifying banking regulation, searching for additional and alternative sources of financing, activating the stock market and mobilizing savings of the population – domestic investment, possible preferences in financing cooperatives and associations);

n of procedures

Simplification of procedures for the transformation of land plots (the possibility of combining land categories, the abolition of the obligation to transform land using international experience, introduction of a deadline for reviewing documents, the possibility of further simplification of procedures, the transfer of powers to local state administrations for other land categories);

Irrigation: improvement of the management of internal irrigation systems (consideration of options for transferring internal irrigation facilities from water user associations to aiyl okmotu - rural governments);

### IV

Strengthening the powers of local keneshes (local authorities) and aiyl okmotu;

### V

Improving the system of Regional Development Funds (RDFs): opportunities for financing businesses, sustainable projects and educational courses for the population, preventing delays in financing in interbudgetary relations, reducing the bureaucracy of the Ministry of Finance of the Kyrgyz Republic;

### VI

Improvement and simplification of the system of state and municipal procurement (including simplification of regulation for municipal enterprises);

### VII

Simplification of procedures for connecting to power grids and rational operation of energy supply facilities, simplification of conditions for the creation of energy capacities and private energy facilities;

### VIII

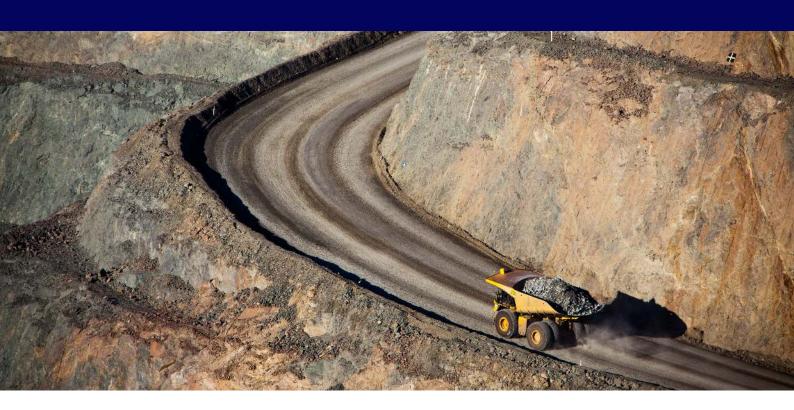
Settlement of issues of disputed pasture lands leased on the basis of the Decree of the Government of the Kyrgyz Republic of 2019;



Further digitalization of relations between local administrations, local authorities and central authorities.



### **NATURAL RESOURCES**



## IBC DEVELOPED RECOMMENDATIONS FOR THE DRAFT MINING CODE

An expert group was created at IBC, and from December 2021 to February 2022 it developed recommendations for legislation on state policy issues in subsoil use. The developed analysis was submitted to the Ministry of Natural Resources, Ecology and Technical Supervision for consideration in the development of the Mining Code (Subsoil Code).





## WORKING ON REVISION OF INCREASING BONUS RATES, FEE FOR THE RETENTION OF SUBSOIL USE RIGHT LICENSE AND SURFACE WATER FEE

IBC expressed the opinion of the business community regarding the (draft) decisions of the Cabinet of Ministers on increasing the rates of bonuses for certain types of mineral deposits, on increasing the rates of the fee for the retention of a license for the subsoil use right, as well as on increasing the rates of fee for the use of surface water resources in the mining industry.

By a resolution of the Cabinet of Ministers of September 27, 2021, the fees for the retention of licenses for the subsoil use right were raised tens, hundreds and thousands of times. As a result, companies were forced to reduce licensed areas and give up licenses for prospecting and exploration.

Based on the results of numerous appeals and analytical notes and clarifications from IBC, the Cabinet of Ministers instructed the relevant ministry to submit for consideration a draft NLA to reduce the rates of the fees for the retention of licenses for the subsoil use right.

The Cabinet of Ministers also instructed the Ministry of Natural Resources to "work out an issue that provides for a reduction in the rates of fees for the use of surface water resources, and submit a reasoned proposal to the Administration of the President of the Kyrgyz Republic." However, the ministry insisted on maintaining the established rates, explaining that such a decision "does not have a negative impact on the activities of mining companies." Work in this direction will be continued.



## TERMS OF ACCREDITATION FOR INSPECTION COMPANIES EXTENDED

By a resolution of the Cabinet of Ministers of the Kyrgyz Republic dated December 3, 2021 "On Amendments to the Resolution "On Certain Issues of Conducting Operations with Raw Commodities Containing Precious Metals", the terms of accreditation under ISO / IEC 17020 were extended from September 1, 2021 to December 31, 2022.

Earlier, the Security Council recommended that the government combine inspection and laboratory functions in one testing and inspection organization and consider transferring these functions to the Central Laboratory state enterprise under the Energy Ministry.

IBC appealed to the government, expressing the concern of subsoil user companies in connection with this initiative, presenting reasoned justifications that the Central Laboratory does not have sufficient resources to carry out quality control and testing of samples in a timely manner.

As a result, the deadline for accreditation by inspection companies was extended until December 31, 2022.

## COEFFICIENTS FOR CALCULATION OF LOST PROFITS FOR SUBSOIL USE ADJUSTED

By the Decree of the Cabinet of Ministers of the Kyrgyz Republic of October 1, 2021 No. 195, amendments were made to the Government Decree "On approval of the standards for the cost of compensating for losses in agricultural production and the use of funds received from their reimbursement" dated January 5, 2016 No.1. This resolution determines that when calculating the amount of lost profits when providing a land plot without transfer (transformation) for the purposes of subsoil use (instead of 49 years), a coefficient equal to the validity period of the license for the subsoil use right is applied.

The IBC team and the IBC Mineral Resources Committee members, who actively participated in the development of the draft amendments, have done a great job in promoting the draft resolution since 2016, raising this issue at various platforms and levels. For the first time, this issue was brought to the platform of the Business Development and Investment Council under the Government of the Kyrgyz Republic in May 2016, where protocol instructions were given to relevant state authorities for the development of relevant amendments together with IBC.



## DIGITAL ECONOMY



## A CONCEPT AND ACTION PLAN FOR THE DEVELOPMENT OF THE DIGITAL ECONOMY IN KYRGYZSTAN DEVELOPED

IBC presented the results of a study on the state and prospects of the digital economy in the Kyrgyz Republic, conducted by IBC with the support of the USAID Enterprise Competitiveness Project and with the participation of independent experts.

The indicators of the current implementation of the Digital Kyrgyzstan strategy, as well as obstacles in the development of the digital economy were analyzed. Medium-term goals, long-term goals and vision were defined.

A SWOT analysis of the potential of the digital economy of Kyrgyzstan, its strengths and weaknesses, opportunities and threats were presented. The influence of e-commerce on the labor market and the fight against poverty was considered.

As a result of the WG activities, a set of recommendations was developed for possible implementation by government agencies. Of the 40 proposed recommendations, 33 were accepted by government agencies, and seven are under discussion.





### REGULATION OF DIGITAL ASSETS

In order to regulate relations arising from the circulation of virtual assets, cryptocurrencies and the creation of a new type of economic activity, IBC was involved in a working group to develop a law on virtual assets. As a result, a relevant law was adopted that regulates the activity of cryptocurrency mining, the emission (issue) and initial placement of virtual assets, and the activities of virtual asset service providers. IBC also continued to participate in the development of relevant by-laws.



## DEVELOPMENT OF COOPERATION BETWEEN COMPANIES (B2B)



### **IBC MEETUP**

## COOPERATION BETWEEN BUSINESS AND EDUCATION

On September 30, 2021, IBC held the first event of the new format — IBC Meetup and dedicated it to the development of education in Kyrgyzstan. The informal IBC Meetup is an effective platform for communication and exchange of experience between business, international organizations and diplomatic missions — IBC members and partners. IBC plans to hold such networking events regularly, each with a specific theme.

The first meeting was attended by three leading innovative educational institutions — Bishkek International School (BIS), the Technical School of Innovation AUCA and the University of Central Asia (UCA).





### **IBC MEETUP**

## RESPONSIBLE BUSINESS ON THE WAY TO SUSTAINABLE DEVELOPMENT

The second meeting in the IBC Meetup format, held on December 22, was devoted to the topic that is gaining popularity in the business community — CSR and ESG (Environmental, Social, and Governance - ecology, social policy and corporate governance). The ESG standard is being implemented in the world both in business and in other areas of activity. If our companies want to be competitive, sooner or later this format will need to be applied in Kyrgyzstan.

The discussions were attended by representatives of IBC member companies from various sectors of the economy including banking, insurance, construction, legal, consulting, food industry, telecommunications and others, as well as international organizations.





## FORUM OF SUPPLIERS OF GOODS AND SERVICES

On October 28, 2021, IBC held the second Forum of Suppliers of Goods and Services for the Mining Industry of Kyrgyzstan.

The forum was attended by First Deputy Chairman of the Cabinet of Ministers of the Kyrgyz Republic Arzybek Kojoshev, representatives of government agencies, as well as 10 largest subsoil user companies, 16 suppliers as exhibitors and dozens of companies — visitors to the exhibition.

The event was aimed at increasing the volume of purchases in Kyrgyzstan, increasing the potential of local producers of goods and services.

Our forum is unique in that it gathers suppliers and buyers on its site.





### INNOVATIVE TECHNOLOGIES

Up to 80 percent of irrigation water can be saved and crop yields almost doubled with innovative water-saving technologies developed in Kyrgyzstan.

On March 11, IBC presented the innovative brand of the Reincatcher Plus startup company, whose products are aimed at combating drought and the effects of global warming.

Environmentally friendly products manufactured in Kyrgyzstan were presented at the World Expo in Dubai in 2021.



## INTERNATIONAL BUSINESS FORUMS



## HYDROPOWER: CENTRAL ASIA AND THE CASPIAN CONGRESS

IBC head Askar Sydykov took part as an honored guest in the 5th annual international congress Hydropower: Central Asia and the Caspian held on February 17-18 in Tashkent.

Hydropower, one of the priority sectors of the Kyrgyz economy, has great potential, so IBC is trying to make efforts to promote the development of the industry and attract investors. To attract investment in the hydropower sector and implement joint projects, it is very important to maintain partnerships with colleagues in the region. At the congress site, topical issues of hydropower were considered, and plans were outlined to optimize cooperation in the industry.





### COOPERATION WITH AIFC

The Memorandum of Understanding and Cooperation between the Administration of the Astana International Financial Center and IBC was signed on October 14, 2021 in Astana during the visit of a business delegation of Kyrgyzstan to the AIFC.

According to the document, the parties will explore opportunities for holding joint events and projects, exchanging information and documents, and other types of interaction.

The Memorandum was signed by Managing Director of the AIFC Administration Nurlan Toimbek and IBC Executive Director Askar Sydykov.

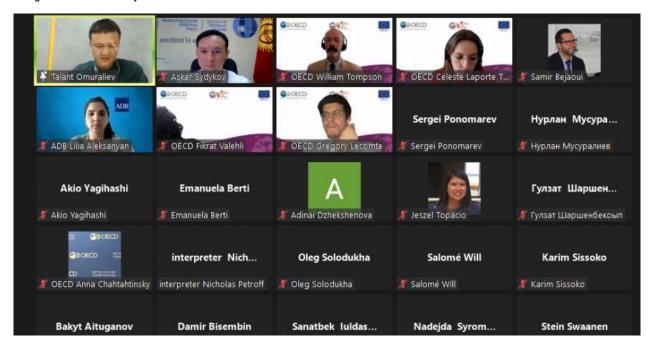
There are many areas for joint activities including attracting investments, supporting start-ups, developing ecosystems, human potential, and much more.



### EU WEBINAR ON THE IMPACT OF GLOBAL EVENTS ON THE ECONOMY OF KYRGYZSTAN

The webinar on Conquering Economic Storms in Central Asia, held on June 22 with the support of the European Union was dedicated to the Kyrgyz Republic.

The participants assessed the observed and expected consequences of the war in Ukraine and international sanctions against Russia for Central Asia, and in particular for Kyrgyzstan. First public policy responses were reviewed, as well as preliminary recommendations. The situation in such areas as investment, trade, banking system and logistics channels in agriculture was analyzed.

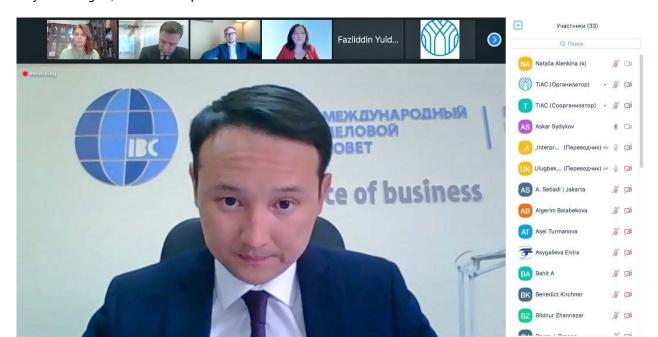


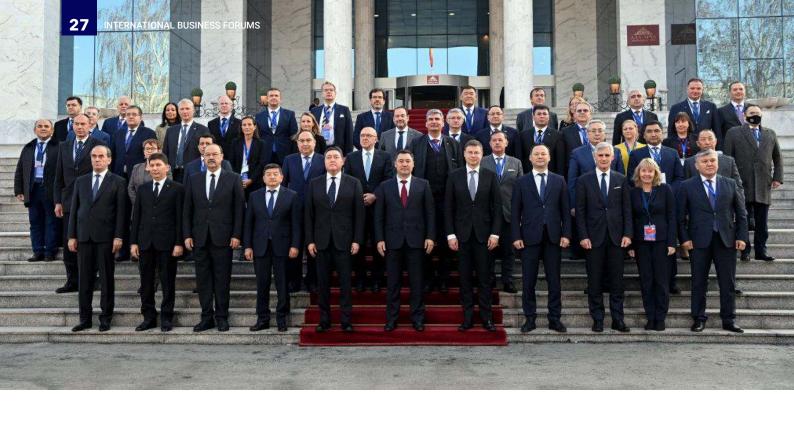
### ARBITRATION INSTITUTIONS IN CENTRAL ASIA

During an online panel discussion on September 8, 2021, new trends in institutional arbitration in Central Asia were considered.

The participants discussed how to strengthen the confidence of foreign investors and users of institutional arbitration, identified the main problems in resolving commercial disputes, and made proposals for the development of arbitration practice in the region.

IBC proposed to consider the possibility of creating a Central Asian Arbitration Institute in the future, which could work not only for the region, but also for export.





### IBC PARTICIPATION IN THE EU -CENTRAL ASIA ECONOMIC FORUM

On November 5, Bishkek hosted the first EU – Central Asia Economic Forum: bringing regions closer. The forum gathered a wide audience of business representatives from Central Asia and the EU, the diplomatic corps, government agencies, etc. The three main areas of the Forum were green recovery, digitalization, and a better business environment.

As a result of the forum, a joint statement was concluded, in which the participants reaffirmed their commitment to strengthening cooperation between the EU and Central Asia to transform the economies of Central Asia in order to create jobs, better integration into regional and global value chains.





### IBC COMMITTEE MEETINGS

### During the year, meetings of IBC committees were held.

The IBC Mineral Resources Committee held four meetings to discuss the current situation in the mining industry. The MRC members considered the status of the State Committee for Industry, Energy and Subsoil Use in the new government structure, the presidential decree on reforming the mining industry, cancellation of the postponement of accreditation of inspection companies, the law on precious metals, the procedure for the import/export of ores and concentrates, the rates of fees for the retention of licenses and for the use of surface water, and other relevant business issues.

The Financial Market Committee discussed the issues of correspondent relations of commercial banks with foreign partners, as well as the possibility of amending the legislation of the Kyrgyz Republic in the field of countering the financing of terrorist activities and the legalization (laundering) of proceeds from crime.

The Fiscal Policy Committee made proposals to the concept of the new Tax Code, new bills on social contributions, as well as the calculation of the amount of social contributions for non-residents.

The Human Resources Committee held two meetings to discuss the current situation in labor legislation, a bill to increase insurance premium rates, and the promotion of previous IBC initiatives.



### IBC MEDIA AND PR-ACTIVITY

## IBC INCREASES COOPERATION WITH THE MASS MEDIA

During 2021, IBC continued active cooperation with the media. In the context of the pandemic and post-pandemic, the publication of IBC press releases in the media became an effective tool for delivering timely and reliable information to the business community and the country's population as a whole.

2021 r.

850

articles and interviews with IBC management were published by leading local and foreign TV and radio companies and online publications. Topics of publications:

support measures needed by businesses during the economic crisis recommendations to the draft Tax Code, the new version of the Criminal Code and the Code of Criminal Procedure ways to improve relations between subsoil users and local efficient use of regional development funds results of a study of the state and prospects of the digital economy introduction of mandatory labeling of goods, increase in fees for the retention of licenses for the subsoil right use, etc.











ста о введении режима ЧС в



Глава МДС Аскар Сыдыков: Выдача разрешительных документов для горнодобытчиков должна быть продолжена



### The Economist

#### An election in Kyrgyzstan is cleaner than usual

But an air of thuggishness still prevails

That kind of intimidation, plus a reservoir of popularity for Mr Japarov in some quarters, may for the time being deter unrest of the sort that has curtailed three presidencies in the past decade or so. Yet Askar Sydykov, who heads the International Business Council, a lobby for the country's beleaguered entrepreneurs, says businesspeople have a litany of problems: inflation; wild swings in the value of the som, the national currency; pandemic-related disruptions to cross-border trade; and energy shortages exacerbated by government corruption and ineptitude, just as winter begins to Share

#### KAKTUSMEDIA

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ル

объяснили зачем

SPUTNIK

2:34 15:07:20

### Бизнесмены захотели почаще встречаться с президентом. И

ика 💿 1811 💬 3 17 ноября 2021 13:07

что творит другая" представитель бизнеса о

ситуации в КР

### акчабар ((p)) O "Одна рука не ведает,

Кабмин КР обещал МДС поддерживать бизнес

カザフスタン

キルギスは1991年に旧ソ連から独立

10.03.2021, 14:30 

Акчабар





экономика 29 октября 2021 19:19

0

2

АЛЫЙ ПАРУС

Аскар Сыдыков - о форуме поставщиков: Наша цель -

наладить связи между компаниями

Второй форум поставщиков товаров и услуг для горнодобывающей отрасли Кыргызстана провел Международный деловой совет

### フィリピン、REIT上場の波

日 隆 庫 第 例 2021年為IB年 8月30日年NE

観光客を誘致したいまって一下の遺産もあり。C 東西文明を結んだい 一数の株式を取得した

る 美容は形も忍に力がある」 国境を越えて治療にやってく

独立30年、キルギス産業の針路



アスカル・スィドィコフ氏 国際ビジネス評議会理事長

ロソ連諸国の経済協力等ルギスはロシアが主

がより。水力発電にも入さな 力を輸出できるよう タンにも価格最全力のあるで。アフガニスタンやバネ

(ピザ) 免除の協定があった(単価) のでの (単一) のでの カ国以上と

kloop

«Ишкерлер өлкөгө

коркушат». Аскар

инвестиция кылуудан

Сыдыков ишкерлердин

бүгүнкү абалы тууралуу

Радио Азаттык

«Только на запуск реформ

Амбициозные планы нового

потребуется полгода».

Кабарлар

ПЕРЕКРЕСТОК

кабмина

19 октября 2021

Болот Колбаев

USD EUR RUB Q

Поиск

Новый Налоговый кодекс. Как власти играют с бизнесом в прятки и меняют правила

### Economist

0000



Q

Новости 25 октября 2021 г. 10:58

Бизнес назвал кабмину главные проблемы проводимых реформ



### **KNEWS**

Добросовестные инвесторы уйдут, а кто придет им на смену? МДС о новых ставках сбора за удержание лицензий

Подписаться на 🔠 Google News







20.04.2021 // 10:15

Обратите внимание на дату публикации

### Не радует инвестиционный климат

Во время экономического кризиса нужно прекращать возбуждать уголовные дела в отношении предпринимателей и проводить необоснованные проверки. Такое мнение совучил Аскар Сыдыков в эфире радио «Sputnik



KMP ENG APXIII 27 июл. Ср. Время 10:41

правительства

Крупнейшие бизнес-ассоциации, представляющие более 80 процентов налогоплательщиков Кыргызстана, выражают серьезную обеспокоенность в связи с обсуждаемой новой структурой

EUR 82.64

Бизнес обеспокоен новой структурой

кек - 24.hg, Татылга КУДРЯВЦЕЗА.

wyf & OO

правительства. Об этом говорится в обращении

Q

Новые законы Киргизии отпугивают всё больше инвесторов





Международного делового совета

БИШКЕК, 12 февраля 2021, 15:07 — REGNUM Работающие в Киргизии горнорудные компании обеспокоены принятым в начале февраля указом президента «О реформировании горнодобывающей отрасли». Об этом заявили члены комитета

KAKTUSMEDIA



Какой помощи ждет бизнес от правительства. Ау, кабмин, вам слышно?

итика 💿 4216 💬 2 1 марта 2021 19:08

### 



Since May 2021, IBC has started its own Telegram channel, which promptly published the latest news in the economy, investment climate and doing business not only in Kyrgyzstan, but also in the Central Asian countries and the EAEU. For 8 months, 1200 articles were published in two languages, Russian and English.





### IBC WEEKLY

In 2021, 50 IBC weeklies were published, which reported on the most important events that IBC held or participated in, as well as planned events. Legal reviews included about 350 most important changes in the legislation of the Kyrgyz Republic. More than 1,300 economic, financial and business news were published in media digests.



### CORPORATE DEVELOPMENT



As of December 31, 2021, IBC included 109 members of the association, 79 of which are corporate members, 15 are associate members and 15 are honorary members.

#### **IN 2021, 12 NEW MEMBERS JOINED IBC:**



Makmal Gold Company LLC CATEGORY C



Noelia Group LLC Category C



OcOO «Eurasian Machinery»



Kyrgyzkommertsbank OJSC Category D



Raincatcher plus LLC CATEGORY D



Decem Co., LTD LLC CATEGORY D



Borusan Makina Kyrgyzstan LLC CATEGORY D



PROYAPI Engineering & Consultancy Inc. the Kyrgyz Republic Branch Office CATEGORY D



Financial Chain Corporation LLC CATEGORY D



Roche Kazakhstan LLP CATEGORY D



KRG Resource LLC Category D



Alfred H Knight International Ltd Branch

### **3 IBC MEMBERS UPGRADED THEIR CATEGORIES:**



JSC JV "UZBAT A.O." CATEGORY A



NUR Telecom LLC Category B



Elite House LLC Category C

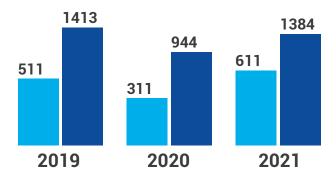
### FINANCIAL DEVELOPMENT

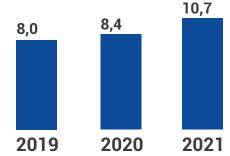
Taxes paid by IBC to the State Tax Service and the Social Fund of the Kyrgyz Republic: (KGS, thousand)

Income tax

Social Fund and other taxes

Collected membership fees: (KGS, million)





## BOARD AND AUDIT COMMISSION

### **IBC BOARD MEMBERS**



BOARD CHAIRMAN

NURDIN ILEBAEV

Insurance Company Kyrayzstan CISC



BOARD DEPUTY CHAIRPERSON

AIGERIM OMOKOEVA



BOARD MEMBER
ULAN KACHKYNBEKOV



BOARD MEMBER

ŞEVKI SARILAR



ARIF ALI

Kyrgyz Investment and Credit Bank CJSC



BOARD MEMBER

BRADLEY BRENNEMAN



BOARD MEMBER

ILYAS TULEKEEV

Minarala Rozamahak I. C.



BOARD MEMBER
SANZHAR KAPAROV



BOARD MEMBER **ALIIA CHYNYBAEVA**Halyk Bank Kyrgyzstan OJSC



BOARD MEMBER

ZHAMILYA IMANKULOVA

El Group Consulting LLC



BOARD OBSERVER

DAVID WESTENFELDER

Deputy Ambassador of the Federal

Republic of Germany in the Kyrgyz

Republic



AYTEN RUSTAMOVA
Regional Head of EBRD in Central Asia

#### **AUDIT COMMISSION**



UDIT COMMISSION CHAIRPERSON
ELIZAVETA TSOI
Ernst & Young Audit LLC



AUDIT COMMISSION MEMBER

VALERIA KHEGAY

ubilee Kyrgyzstan Insurance Company CJSC



AUDIT COMMISSION MEMBER
NURLAN KYSHTOBAEV

### **HEADS OF COMMITTEES**



MINERAL RESOURCES COMMITTEE AICHOLPON ALIEVA



YULIA ABDUMANAPOVA Baker Tilly Bishkek LLC



FINANCIAL MARKET COMMITTEE MAKSAT ISHENBAYEV



**ELENA KALASHNIKOVA** 



SAODAT SHAKIROVA



MANAGEMENT COMMITTEE JAMILYA IMANKULOVA



COMMITTEE FOR SUSTAINABLE DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY ASEL ARSTANBEKOVA

### **IBC MEMBERS**



#### **CATEGORY A**



Adji-Service LLC Mining



Alfa Telecom (MegaCom) CJSC Telecommunications



Alliance Altyn LLC Mining



RG BRANDS RG Brands Kyrgyzstan LLC Food industry



Bishkeksut JSC Food industry



Vertex Gold Company LLC Mining



Demir Kyrgyz International Bank CJSC



Imperial Tobacco Kyrgyzstan LLC Tobacco industry



ItalKir CJSC JV (Hyatt Regency Bishkek)



KAZ Minerals Bozymchak LLC Minina



Kant TSP LLC Production



Coca-Cola Bishkek **Bottlers CJSC** Food industry



Kyrgyz Investment and Credit Bank CJSC



Plasform Ambalaj Sanayi ve Ticaret A.S. (Bishkek FEZ) Production



Sky Mobile (Beeline) LLC Telecommunications



**Insurance Company** Kyrgyzstan CJSC



International Tobacco Marketing Services CJSC Tobacco industry



**Highland Exploration LLC** Minina



Central Asia FEZ Development **Corporation LLC** Banking, amusement parks, FEZ development



Chaarat Zaav JSC Mining



Eti BakırTereksai LLC



Representative office of JTI Kazakhstan LLP in the Kyrgyz Republic Tobacco industry



NUR Telecom LLC **Telecommunications** 

**CATEGORY B** 



Philip Morris Kazakhstan LLP Tobacco industry



Halyk Bank Kyrgyzstan OJSC

#### **CATEGORY C**



Jasper Gold Corp Mining



KPMG Bishkek LLC **Audit and consulting** 



Makmal Gold Company LLC Mining



Noelia Group LLC





HTI Group LLC Production



Roche Kazakhstan LLP production/import of medical devices



Stuart Assay and Environmental Laboratories LLC Certification



**TOKTOM Information** Center LLC Information Center



Finca Bank CJSC Banking



Elite House LLC Construction



**Ernst & Young Audit LLC** Audit and consulting



South Kyrgyz Cement CJSC Production

#### **CATEGORY D**



Ak-Sai Travel LLC Tourism services



Abdysh-Ata LLC Food industry

RP RED PETROLEUM

Alfa Oil LLC (Red Petroleum)



Alfred H Knight International Ltd Branch



ARTE Law Firm LLC Law firm



Bai-Tushum Bank CJSC Banking



Kompanion Bank CJSC Banking



Baker Tilly Bishkek LLC

Audit and consulting



Bishkek Transport Company LLC Taxi service





Borusan Makina Kyrgyzstan LLC Sale of special machinery



W. Jacobs - Audit CJSC Audit and consulting



Glovo KG LLC Delivery service



**Grant Thornton LLC** 



Grata Law Firm LLC Law firm



Jubilee Kyrgyzstan Insurance Company CJSC Insurance



Decem Co., LTD LLC Sale of special machinery



**Eurasian Machinery LLC** Sale of special machinery



K&A Legal LLC Law Firm



Kemin Mining LLC Mining



Design and Research Center «Ken-Too»

Research



Kichi-Chaarat CJSC



**KRG Resource LLC** 



Kyrgyzkommertsbank OJSC KyrgyzKommerts



Mining

LEX Law Firm LLC Law firm



**КЫНГЫМОН КАВОТНИКИЛ** 

Company Kyrgyzstan



Optima Bank OJSC Banking

Banking



PricewaterhouseCoopers Bishkek LLC **Audit and consulting** 



PROYAPI Engineering & Consultancy Inc. the Kyrgyz Republic Branch Office



Centil LLC Law firm



SGS Bishkek LLC

Certification



Sierra Group LLC

HoReCa



Industrial company SPECTR LLC



Sut Bulak CJSC Food industry



Techno-Center LLC Sale of special machinery





Financial Chain **Corporation LLC** Financial sector



The Freedom Finance JSC Branch in Bishkek Financial sector



Hyundai Elevator LLC Sale of special machinery



Center for Corporate M edicine LLC Medical services







Shumkar Estate CJSC Tourism



A&A LLC Law firm



El Group Consulting LLC



Elsyst LLC Engineering systems

#### **ASSOCIATE MEMBERS**



Asian Development Bank International financial institute



EBRD in the Kyrgyz republic International financial institute







Children's Fund (UNICEF) in the Kyrgyz Republic International organization



Aga Khan Development Network in the Kyrgyz Republic Development agency



University of Central Asia
Education



International Finance Corporation
International financial institute



OSCE Programme Office in Bishkek International organization



Bishkek International School



Technical school of innovation AUCA

Education



ALE Horeca CLub

#### **HONORARY MEMBERS**



LƏTIF QƏNDILOV

Ambassador Extraordinary and Plenipotentiary of the Republic of Azerbaijan



CHARLES EDMUND GARRETT

Ambassador Extraordinary and Plenipotentiary of the United Kingdom



SANDOR DOROGI

Чрезвычайный и Полномочный Посол Венгрии



GABRIELA GUELLIL

Ambassador Extraordinary and Plenipotentiary of Germany



RAPIL ZHOSHYBAEV

Ambassador Extraordinary and Plenipotentiary of the Republic of Kazakhstan



DU DEWEN

Ambassador Extraordinary and Plenipotentiary of the People's Republic of China



LEE WON-JAE

Ambassador Extraordinary and Plenipotentiary Republic of Korea



SARDAR TARIQ KHAN

Ambassador Extraordinary and Plenipotentiary of Islamic Republic of Pakistan



Ambassador Extraordinary and Plenipotentiary of the Russian Federation



NIKOLAY UDOVICHENKO

Trade Representative of the Russian Federation



SONATA COULTER

U.S. Embassy Chargé d'Affaires



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Ambassador Extraordinary and Plenipotentiary of the Republic of Turkey



VALERY ZHOVTENKO

Extraordinary and Plenipotentiary Ambassador of Ukraine



FRANÇOIS DELAHOUSSE

Ambassador Extraordinary and Plenipotentiary of France



OLIVIER BANGERTER

Ambassador Extraordinary and Plenipotentiary of Switzerland



SHIGEKI MAEDA

Ambassador Extraordinary and Plenipotentiary of Japan



#### TALAIBEK KOICHUMANOV

Investment Council under the Cabinet of Ministers of the Kyrgyzī Rebublic

# LIST OF CONSULTATIVE AND ADVISORY PLATFORMS OPERATING WITH THE PARTICIPATION OF IBC REPRESENTATIVES (COUNCILS, COMMISSIONS, WORKING GROUPS CREATED BY STATE BODIES)

- 1. Advisory Committee for Entrepreneurship under the Eurasian Economic Commission Board (Order of the EEC Board of August 29, 2017);
- 2. Industry and Entrepreneurship Development Committee under the National Sustainable Development Council of the Kyrgyz Republic (Decree of the President of the Kyrgyz Republic of December 25, 2018 No. 253);
- 3. 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. 13-0D);
- 4. Business Development and Investment Council under the Government of the Kyrgyz Republic (Regulation of the Government of the Kyrgyz Republic No. 149 of August 5, 2010);
- 5. 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);
- 6. Council for Economic Reforms under the Government of the Kyrgyz Republic (Government Resolution of November 13, 2020 No. 551);
- 7. Interdepartmental Working Group on employment of migrants and young professionals (mentoring) in the real sector of the economy (Order of the Ministry of Economy of the KR No. 20 of September 30, 2020)
- 8. Interdepartmental working group for the development of a draft decision aimed at eliminating unnecessary barriers in the construction sector (Order of the State Agency for Housing Construction and Municipal Services under the GKR No. 162 of November 23, 2020);
- 9. Interdepartmental working group on the interaction of business with law enforcement and judicial authorities (Order of the Ministry of Justice of the KR No. 117 of November 23, 2020):
- 10. Interdepartmental working group on Interaction with Local Self-Government (Order of State Agency for Local Self-Government and Interethnic Relations under the GKR No. 01-18 / 90 of November 24, 2020);
- 11. Interdepartmental working group on optimization of the licensing and permitting system and control and supervision spheres in the Kyrgyz Republic (Order of the Ministry of Economy of the Kyrgyz Republic No. 31 of November 25, 2020);
- 12. Interdepartmental working group on the development of a new version of the Tax Code of the Kyrgyz Republic and the State Program of Tax and Customs Policy for 2021-2025 (Order of the Ministry of Economy No. 32 of November 25, 2020);
- 13. Interdepartmental working group on the development of amendments to the legislation of the Kyrgyz Republic aimed at reducing state regulation of the import and sale of medicines and medical devices (Order of the Ministry of Economy No. 129 of December 7, 2020);
- 14. 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);
- 15. Council on Awarding Quality Prizes of the Kyrgyz Republic (Resolution of the Government of the Kyrgyz Republic No.67-r of March 2, 2015);
- 16. Supervisory Board of the Extractive Industries Transparency Initiative (EITI), (Resolution of the Government of the Kyrgyz Republic of May 14, 2004 No. 361);
- 17. Commission on Subsoil Use Licensing Issues under the State Committee for Industry, Energy and Subsoil Use of the Kyrgyz Republic (Government Resolution of November 29, 2018 No. 561);
- 18. Working group to consider proposals of international financial institutions for the development and implementation of a public-private partnership project on the development and modernization of airports of the Manas International Airport (Order of the Government of the Kyrgyz Republic of February 12, 2019 No. 17-r);
- 19. Working group on the Regulatory Impact Analysis to the draft Resolution of the Government of the Kyrgyz Republic On approval of the procedure for export from the territory of the Kyrgyz Republic and import into the territory of the Kyrgyz Republic of ores, concentrates and waste containing precious metals (Letter of the State Committee for Industry, Energy and Subsoil Use of the Kyrgyz Republic of December 9, 2019 No. 690);
- 20. Interdepartmental working group to improve the legislation of the Kyrgyz Republic On the procedure for conducting inspections of business entities (Letter of the Ministry of Economy of the Kyrgyz Republic of January 18, 2019 No. 17-3 / 495);
- 21. Interdepartmental working group 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);
- 22. Interdepartmental working group on Improving Labor Legislation (Government Order of January 18, 2017 No. 12);
- 23 Interdepartmental working group on Adaptation of the Kyrgyz Economy to the Transition to a Green Economy (letter of the Ministry of Economy of the Kyrgyz Republic of May 3, 2019 No. 08-1 / 6603);
- 24. Interdepartmental working group on the Regulatory Impact Analysis to the Draft Law of the Kyrgyz Republic On Amendments to the Tax Code of the Kyrgyz Republic (Letter of the Ministry of Economy of the Kyrgyz Republic of June 24, 2019, No. 13-1 / 9546);
- $25. \ Council\ for\ Forming\ a\ List\ of\ Priority\ Investment\ Projects\ (ME\ ref.\ No.\ 19-1\ /\ 13845\ of\ 08.10.2018);$
- 26. Working group on the implementation of the Concept for the development of the jewelry industry of the Kyrgyz Republic for 2019-2022 (Government Resolution of July 17, 2020 No. 350);
- 27. Working group on inventory of subsoil legislation (letter from the State Committee for Industry, Energy and Subsoil Use of the Kyrgyz Republic of September 4, 2019 No. 523).















Office 113-114, Hyatt Regency Bishkek 191 Abdrakhmanov Str., Bishkek 720011, Kyrgyz Republic

