



CORPORATE ISSUES

INDUSTRY AND LEGAL UPDATE

KALIKOVA & ASSOCIATES

Information for effective business solutions

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Industry Update

1 June 2010

Appointment of the new chair of the State Authority for Regulation and Supervision of Financial Market of the Kyrgyz Republic

By its Decree No. 415 of June 1, 2010, the Interim Government appointed Mr. Nurbek Bekkulovich Elebaev as the new chair of the State Authority for Regulation and Supervision of Financial Market.

1 June 2010

Municipal bonds

Bishkek City Mayoralty plans to offer municipal bonds to attract free monetary funds required for solving social and economic issues in Bishkek. The proceeds from the offering will be used to refinance bonds previously offered and to build and renovate roads. The bonds will be offered for the total amount of 250 million soms, and will bear the interest rate of 7 percent per annum and the par value of 100 soms. Bishkek Mayoralty plans to pay off the bonds using the proceeds from the leases of municipal property.

27 July 2010

Kambarata Hydro Power Plant 1

On July 27 of this year, Kambarata Hydro Power Plant 1 registered the initial offering of 1,000 common registered shares with the par

Legal Update

Moratorium on inspections of business entities

In order to stabilize economic activity of business entities, ensure effective government control systems and supervision, and to eliminate unnecessary and excessive intervention of authorities in the activities of business entities, the Interim Government of the Kyrgyz Republic adopted Decree No. 35 of May 13, 2010 "On limitation of inspections conducted by law enforcement, tax agencies and other authorities entitled to conduct inspections of business entities". A moratorium is imposed on the inspections of business entities affected by the unrest during 6-7 April 2010, by law enforcement, tax and other authorities entitled to inspect business entities, except for inspections carried out in criminal, administrative and civil proceedings, on applications of business entities, upon request of state agencies of other countries, in documented facts of tax evasion, by Tax Service, relating to the payments of taxes by purchasing mandatory and voluntary patents, on applications of physical and legal entities facts that threaten the lives and health of people and the environment. The moratorium will continue until December 31, 2010.

Amendments to the Civil Code of the Kyrgyz Republic and the Law of the Kyrgyz Republic "On Joint Stock Companies"

The amendments were necessitated by changes to the Law of the Kyrgyz Republic "On Securities Market" introduced in July 2009. The amendments deal with public disclosure at the securities market by a public issuer in respect of brief information from annual and quarterly reports and impose additional requirements for

value of 80,000 soms each, for 80,000,000 (eighty million) soms of capital increase.

public disclosure by professional securities market players.

29 July 2010

IFRS: new version

For the purposes of furthering accounting practices and introducing international financial reporting standards in the Kyrgyz Republic, the State Authority for Regulation and Supervision of Financial Market resolved that an electronic version of International Financial Reporting Standards as amended in 2009 should be used to prepare reports. Thus, all business entities in the Kyrgyz Republic are required to keep books and records following the aforesaid electronic version of IFRS.

1 August 2010

Nationalization process is going on

Over the period of time since April 2010, there have been nationalized more than 30 property assets, including resorts and land plots at the Lake Issykul, telecommunications and mining companies, power plants and facilities, cinema theaters, administrative buildings and structures in Bishkek. Among the recently nationalized major assets are Asia Universal Bank OJSC, Aurora Plus, Bishkek Distillery, Narynhydrostroï, Chakan HPP.

The Interim Government has by its decision transferred 25 property assets to the Ministry of State Property. The Government plans to sell 14 companies whose shares are publicly owned among which are "25 cadre" CJSC, Vityas resort and others.

20 August 2010

Centerra Gold appoints new directors

Centerra Gold Inc. announces the appointment of Mr. Amangeldy Muraliev, Mr. Karybek Ibraev, and Mr. Rafael Girard to its Board of Directors. Centerra also announces the resignation of Mr. William Braithwaite from its Board of Directors. Following these changes to the Board of Directors, Centerra's Board will be comprised of eleven members.

Mr. Raphael Girard has been appointed to Centerra's Board of Directors to replace William Braithwaite. Mr. Girard is a public policy and international business consultant who retired from the Department of Foreign Affairs in August 2003. Prior to his retirement, Mr. Girard was the Canadian Ambassador to Romania, and earlier to the Federal Republic of Yugoslavia. Mr. Girard was a member of the Board of Directors of Gabriel Resources Ltd. from 2005 to 2010.

Mr. Muraliev has extensive experience in politics. Currently, Mr. Muraliev is the First Vice Prime Minister of the Interim Government of the Kyrgyz Republic, and the Chairman of the Board of Directors of Kyrgyzaltyn.

Mr. Ibraev has extensive experience in the mining industry. Currently, Mr. Ibraev is a consultant with the Extractive Industries Transparency Initiative (EITI) Secretariat in the Kyrgyz Republic. Mr. Amandgeldy Muraliev and Mr. Karybek Ibraev are the Board representatives of Kyrgyzaltyn JSC, Centerra's largest shareholder.



71 Erkindik Boulevard,
Bishkek, 720040
Kyrgyz Republic

Tel.: +996 (312) 666060
Fax: +996 (312) 662788
Web: www.k-a.kg
Email: lawyer@k-a.kg

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