



CORPORATE ISSUES

INDUSTRY AND LEGAL UPDATE

KALIKOVA & ASSOCIATES

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Industry Update

April 18

Public supervisory council

The structure of the public supervisory council under the State Service of Regulation and Supervision over the financial market under the Government of the Kyrgyz Republic was approved. Public supervisory council, an advisory-supervisory body, was created with the purpose to provide the participation of citizens in public control over the activity of the Service and to establish an effective cooperation of the Service with the community, to take into account public opinion in formation and implementation of state policy.

April 12

Round table on “Stock market: new opportunities for investment attraction and capital investment”

With the purpose of development of business and rise of investment activity of enterprises of the Kyrgyz Republic there will be a round table on “Stock market: new opportunities for investment attraction and capital investment”. This measure is organized by the State Service of Regulation and Supervision over the financial market together with the Financial company “Senti”. During the round table participants considered issues on development of stock market of the Kyrgyz Republic, including opportunities of investment attraction in stock market, advantages of listings, creation of attractive investment climate in Kyrgyzstan and ways of its improvement. Professional participants of securities market, representatives of state bodies and major

Legal Update

Draft of the Law of the Kyrgyz Republic “On holding companies”

Deputies of Jogorku Kenesh have considered and adopted in first reading the draft of Law “On holding companies”, which suggests range of reasons, aims, and certain aspects of creation of holding structure. The creation of holding company consists in the opportunity of unification of beneficiary owner (profit beneficiary) or beneficiary owners of companies with various specific activities into one structure. Such restructuring increases the value of the company as a complex structure, that, undoubtedly, involves rise of company’s respectability, and also there will be an opportunity of centralized control over the activity of all organization departments.

Amendments in the Law of the Kyrgyz Republic “On joint stock companies” and Civil Code of the Kyrgyz Republic

The State Service of Regulation and Supervision over the financial market under the Government of the Kyrgyz Republic had developed a draft of the decree of the Kyrgyz Republic Government “On approval of the draft of the Law “On introduction of amendments into the Law of the Kyrgyz Republic “On joint stock companies” and draft “On introduction of amendments into the Civil Code of the Kyrgyz Republic”. Drafts are developed in order to match with requirements of Laws of the Kyrgyz Republic “On capital market” and “On normative legal acts of the Kyrgyz Republic”.

domestic companies, which are interested in investment attraction, were invited for the round table.

March 15

Agreement on consolidation of a depository system

In order to enhance the effectiveness of functioning of the accounting system of the stock market and consolidate the depository system of the Kyrgyz Republic "Central Depository" CJSC, "Kyrgyz Stock Exchange" CJSC, "Stock Exchange of Kyrgyzstan – BTS" CJSC, and State Service of Regulation and Supervision over the financial market under the Government of the Kyrgyz Republic signed an Agreement on consolidation of a depository system. Agreement provides for organization of activity of the Central depository with participation of the government in its management and its entry into stock capital. Central depository will have exclusive functions of roll holder of state and municipal securities, and also will conduct custody and registration of rights of assets of the accumulative pension system.

March 1

New director of the Service of Regulation and Supervision over the financial market of the Kyrgyz Republic is appointed

February 11, 2011 by the Order of the prime-minister of the Kyrgyz Republic Mr.Toichubekov Yuruslan Jumanovich was appointed as a new chairman of State Service of Regulation and Supervision over the financial market under the Government of the Kyrgyz Republic. In the past Mr.Toichubekov occupied this post from 2005 to 2009.

Amendments concern the procedure of information disclosure by public companies, exclusion of range of terms and definitions, and also the procedure of conduct of extraordinary general meeting of shareholders, in part of granting powers to state body on regulating the capital market and granting to court the right to call of extraordinary general meeting through persons from among persons who applied and required the calling of extraordinary general meeting of shareholders.

Inventory of normative acts

The State Service of Regulation and Supervision over the financial market under the Government of the Kyrgyz Republic in order to match with the legislation in force of the Kyrgyz Republic, namely, Laws of the Kyrgyz Republic "On capital market" and "On normative legal acts" has prepared a range of drafts, among which Regulation "On conduct of roll of inscribed stock holders in the Kyrgyz Republic", Rules "On concluding transactions with securities", Regulation "On requirements on preparation, calling of and conduction procedure of general meeting of shareholders", Regulation "On requirements on suspension and renewal procedure of the auctions in stock exchanges of the Kyrgyz Republic", Regulation "On transactions, concluded by insiders with use of confidential information". These drafts are the result of revision of the similar documents in force.

Standard acts of the Service of Regulation and Supervision over the financial market of the Kyrgyz Republic

With the purpose of enhancement of normative legal base on corporate governance issues in the Kyrgyz Republic, improvement of cooperation and development of the concerted policy on management of joint stock company by the board of the company and by its shareholders Executive council of the State Service of Regulation and Supervision over the financial market under the Government of the Kyrgyz Republic approved range of acts on boards and secretary of the joint stock company.



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www.akipress.kg, www.24.kg, www.parus.kg, www.kyrgyz-el.kg

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