



MINING INDUSTRY AND LEGAL UPDATE

KALIKOVA &
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law firm

Information for effective business solutions

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Industry Update

July 27, 2017

Kyrgyz State Committee on Industry, Energy and Mineral Resources and China Geological Survey sign cooperation agreement

On July 26, 2017, Kyrgyz Geophysical Expedition State Enterprise under the State Committee on Industry, Energy and Mineral Resources and Institute of Geomechanics of Chinese Academy of Geological Sciences of China Geological Survey of the Ministry of Land and Resources of the People's Republic of China signed the mutual cooperation agreement.

Under the Agreement, the parties will carry out the project on assessment of energy potential in Central Asia and explore metallogenic features and structure of the Mesozoic-Cenozoic intermontane depressions of the Kyrgyz and Chinese Tien Shan to make the outlook for the discovery of metal and energy resources.

www.gkpen.kg

July 22, 2017

State Committee on Industry, Energy and Mineral Resources proposes to allow use of pasture areas for mining purposes

The State Committee on Industry, Energy and Mineral Resources proposed to allow the use of the pasture areas for mine development and mine facility construction work. The relevant draft resolution was published on the website of the Government of the Kyrgyz Republic.

Legal Update

August 3, 2017

Draft Government Resolution approving safety rules for liquefied hydrocarbon gas facilities

The State Committee on Industry, Energy and Mineral Resources of the Kyrgyz Republic announced the public discussion of the draft resolution approving safety rules for liquefied hydrocarbon gas facilities. The safety measures are proposed in accordance with the Law of the Kyrgyz Republic "On Industrial Safety of Hazardous Production Facilities".

Proposals and comments on the draft resolution should be submitted to the State Committee on Industry, Energy and Mineral Resources, offices 305/306a to the attention of I.V. Gilfanov at the following address: 2 Erkindik Avenue, Bishkek, Kyrgyz Republic., or by email at: ildar_vaz12@mail.ru.

www.gov.kg

July 10, 2017

Draft order approving procedure for entering and removing mineral reserves from state balance

The State Committee on Industry, Energy and Mineral Resources announced the public discussion the draft order approving the procedure for entering and removing mineral reserves from the state balance.

www.gkpen.kg

June 28, 2017

The proposed resolution also contains restrictions on the right of access to pasture areas to ensure uninterrupted work.

The resolution is proposed as part of the ongoing mining reform in the Kyrgyz Republic.

www.tazabek.kg

July 21, 2017

Arbitral tribunal ordered interim relief to Centerra against Kyrgyz Republic

Centerra Gold Inc. announces that an arbitrator has issued an order providing certain interim relief to Centerra in its ongoing arbitration against the Kyrgyz Republic and Kyrgyzaltyn JSC in connection with the Kumtor Project.

The interim relief granted by the arbitrator, among other things:

- orders the Kyrgyz Republic to give 30 days' prior notice to the arbitrator and Centerra in the event of resumption of the claims brought by Kyrgyz Government entities in Kyrgyz courts relating to alleged environmental harm, dividends and land use, in order to allow Centerra to seek appropriate relief from the arbitrator;
- directs the Kyrgyz Republic to give immediate notice to the arbitrator and Centerra if any procedural action is taken in the Kyrgyz court proceedings; and
- orders the Kyrgyz Republic to use its best efforts to ensure that public officials, authorities, agencies, and instrumentalities of the Kyrgyz Republic comply with her decision.

www.24.kg

July 8, 2017

Auction for Kara-Suu gold deposit at Kapchigai-1 and Kapchigai-2 sites canceled

The State Committee on Industry, Energy and Mineral Resources, by its order No. 260 of June 28, 2017, cancelled the auction scheduled for July 19, 2017 for Kapchigai 1 and Kapchigai 2 sites of the Kara-Suu alluvial gold deposit in the Aksy district of the Jalal-Abad region.

This decision was adopted by the interdepartmental commission due to illegal mining at Kapchigai 1 site by unidentified persons.

www.gkpen.kg

June 27, 2017

Parliament approved the Subsoil Law bill at second reading

Parliament approved the Subsoil Law bill initiated by the Parliament member Kozhobek Ryspaev at the second reading.

According to his explanations, the bill aims to improve mining regulations, to introduce new procedures and mechanisms, to remove shortcomings and fill gaps.

The Government may, in exceptional cases, for the purposes of implementing national projects, with the Parliament's consent, grant the rights to mineral resources without holding tenders or auctions or first come first served procedures.

A number of provisions are proposed that establish requirements for use of groundwater, and address land issues. The provisions regulating the validity of mineral licenses and the right to conduct a tender have been revised.

The new requirements for compensation for losses caused by illegal mining or loss of mineral resources and other requirements have been introduced.

www.kenesh.kg

June 22, 2017

Prime Minister's Order approving new composition of State Commission on Mineral Reserves of June 22, 2017 No. 447

By its order the Prime Minister of the Kyrgyz Republic approved the new composition of the State Commission on Mineral Reserves (the Commission):

Zilaliyev, Duyshebek Teksherbekovich – the Chairman of the State Committee on Industry, Energy and Mineral Resources, the Chairman of the Commission;

Ryskulov, Ulan Duulatovich – the Deputy Chairman of the State Committee on Industry, Energy and Mineral Resources, Deputy Chairman of the Commission;

Members of the Commission are as follows:

Shamshiev, Nasirdin Shamshievich;
Kurumshiev, Ruslan Jekshenbekovich;
Dyusheev, Altynbek Mambetkulovich;
Ashnazarov, Nabi Asanovich;
Shepilov, Vladimir Dmitrievich;

Kozhogulov, Bakyt Kamchybekovich;
Maralbaev, Akylbek Oskonbaevich;
Gorshkov, Anton Alekseevich;

Kyrgyzkomur state-owned enterprise to be reorganized into joint-stock company

Bolsunbek Kazakov, the Head of the State Property Management Fund (SPMF), reported that Kyrgyzkomur state-owned enterprise (SE) would be reorganized into a joint-stock company.

According to B. Kazakov, Kyrgyzkomur state-owned enterprise will be merged with Issyk-Kul Steamship Company and reorganized into a joint-stock company. In the future, all state-owned enterprises will be organized and operating as joint-stock companies. The head of the SPMF reported on the creation of the working group and the database with the World Bank's support to carry out the inventory count of all state-owned property to be completed by December 1, 2017.

<http://ish-kabar.kg>

Chubko, Oleg Lubomirovich;
Plaksin, Dmitry Aleksandrovich;
Rogalsky, Arkady Valerevich;
Yyazov, Mirlan Batyrbekovich;
Oseledko, Leonid Anatolievich;
Karasartov, Altynbek Djhekshenalievich;
Shurukov, Azamat Kubatbekovich;
Shabolotova, Zinaida Filaretovna.

June 22, 2017

Bill of June 1, 2017 No. 95 proposing amendments to certain land regulations

The bill proposing amendments to land regulation was signed on June 1, 2017. The bill aims to improve the land legislation of the Kyrgyz Republic. The bill was adopted by Parliament on April 26, 2017 and signed into law on June 23, 2017.

The adopted bill proposes amendments to the Land Code, the Forest Code, land transfer (transformation) law and other laws. The amendments do not require land transfer (transformation) for mining purposes.

The sources of news contained in the Update are websites: www.24.kg, www.gov.kg, www.tazabek.kg, www.gkpen.kg, <http://ish-kabar.kg>, <http://kenesh.kg>, etc.



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If you have any comments, please contact Jyldyz Tagaeva at jtagaeva@k-a.kg

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