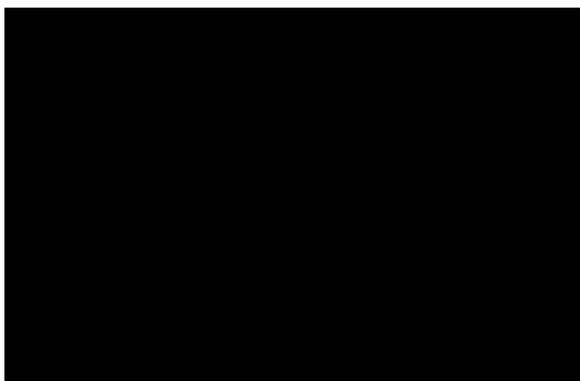




АГЕНТСТВО РАЗВИТИЯ
МЕЖДУНАРОДНОГО
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The Investor Is Always Right! (Unique Legislation)



Kyrgyz law regulating various spheres of business historically contains a lot of provisions which enable the investor to circumvent potential inefficiency or maliciously constructed obstacles on the part of the Kyrgyz bureaucracy.

Initially such provisions were implanted into Kyrgyz law by foreign consultants (brought by international donors and lenders, such as the World Bank) but now this legislative pattern is followed without any outside pressure.

Examples of legislation to illustrate the point:

Article 39 of the Law on Underground Resources, dealing with the grant of a land lease for the mining operation:

«9. The user of the underground resources may not be denied a temporary land lease. Should the application for the lease remain unresolved within the prescribed period, the approval shall be deemed to have been granted.»

Article 48 of the Law on Underground Resources, dealing with the filing of reports and work plans with the regulating body:

«4. If the authorised State agency on mining within 2 months after the company files its past year's report and the work plan for the coming year does not review those documents, the report shall be deemed approved and the work plan agreed.»

Regulations on obtaining a permit for purchasing artisanal gold:

«20. If the authorised State agency does not within the prescribed term notify the applicant in writing of the refusal to issue the permit, the permit shall be deemed issued. The authorised agency shall, no later than within one day of the expiration of the deadline for the issuance of the permit, make a record in its register that the permit was issued and issue the requested permit to the applicant.»

The draft law on foreign investment which is being prepared now by the Government contains a «Gransfather Clause» to safeguard the investor against adverse changes in Kyrgyz legislation and will provide a further set of investor privileges unprecedented for the region.