



АГЕНТСТВО РАЗВИТИЯ  
МЕЖДУНАРОДНОГО  
ФИНАНСОВОГО ЦЕНТРА

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## Regulation and AML Standards

When investing in Kyrgyzstan or simply using this country for routing international trade or investments through its professional infrastructure, you will definitely want to make sure that you are dealing with a clean, well-regulated and internationally well accepted jurisdiction.

Kyrgyzstan is just that — a regulated jurisdiction adhering to the best international standards in terms of prudential and AML supervision of its financial sector and generally, in terms of intolerance to criminal businesses.

### AML regime

The level of AML regulation in the Kyrgyz Republic is quite advanced.

Kyrgyzstan's anti-money laundering / terrorist financing legislation was originally based on the FATF 40 Recommendations and since its adoption has been continuously updated to reflect new regulatory trends.

FATF missions monitor Kyrgyzstan from time to time and issue recommendations which are usually very quickly implemented, as the country wishes to maintain its 'white list' status.

Quote from the FATF assessment of June 2014: «The FATF recognised that (...) Kyrgyzstan, (...) made significant progress in improving their AML/CTF regime and will therefore **no longer be subject to the FATF's monitoring process.**»

The period from 2005 to 2010 in the history of Kyrgyzstan was marked by notable weakness in the AML enforcement, as several local banks linked to the then President's family aggressively serviced the Russian capital flight business which caused the Russian Central Bank to publicly declare one of those banks to be a money laundering concern for Russia. After President Bakiev was ousted in 2010 all consecutive governments made it an important point on the regulatory agenda that Kyrgyzstan should never again service financial flows of dubious provenance. That position remains in force since then, and the national banking regulator — the Kyrgyz Republic's National Bank is strictly enforcing it upon the local banks.

The country has a fully functioning financial intelligence unit, and the spectrum of businesses which are, as a matter of law, reporting entities for AML purposes, is very wide and corresponds to the most advanced standards.

## **FATCA**

Kyrgyzstan is a category 1 country under FATCA. All local banks and a vast majority of local securities dealers, investment managers and other financial businesses are members of the FATCA system and have respective GIINs.

## **Securities Dealers**

Besides being supervised by the local financial market regulator, securities firms are subject to AML/CTF supervision by the local FIU and are adhering to FATCA standards.

## **Support of International Sanctions**

The Kyrgyz Republic as a matter of law supports any UN-instituted sanctions and as a matter of fact — any other personal sanctions introduced by major international influencers such as the United States and the European Union.

While being politically neutral and unwilling to take sides in major international power confrontations, Kyrgyzstan realizes that the competitiveness of its financial sector will only be maintained if access to it is denied to any person deemed controversial by any jurisdiction. Thus, local banks and securities dealers scan their prospective clients and customer payments against all the major sanction lists, whether or not the Kyrgyz Republic as a country supports a particular sanction listing.

## **No Systemic Crime Risk**

The country does not suffer from criminal penetration of its legal business sectors in any way.

Organized crime exists but is mainly focused on purely criminal enterprises, typical for the absolute majority of societies: controlled substances, prostitution, contraband trade etc. In the recent decade serious progress has been made in gradually containing and extinguishing the local criminal elements.