



АГЕНТСТВО РАЗВИТИЯ  
МЕЖДУНАРОДНОГО  
ФИНАНСОВОГО ЦЕНТРА

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## Ideal Location for Manufacturing and Service Businesses Focused On the Customs Union Markets

Kyrgyzstan joined the Customs Union in 2014. Now this regional trade association includes Russia, Kazakhstan, Belarus, Armenia and Kyrgyzstan. Common technical regulations and standards of the Union were implemented in Kyrgyzstan in August 2017, and in December 2017 the country ratified the Customs Code of the Union. The countries share a common customs border and trade in most goods duty-free.

There are many good reasons to choose Kyrgyzstan as a place of any business (production or services) focused on the markets of the Customs Union countries:

- Reasonably low taxation and lack of 'hardline' tax enforcement (so common in the neighbouring States).
- Industrial projects can enjoy a zero rate of Profit Tax, some can apply the zero rate VAT.
- Goods can be shipped to other Customs Union countries duty-free.
- Equipment can be imported into Kyrgyzstan duty-free.
- Importation of certain categories of goods or equipment (such as rolling stock, for example) is extremely efficient in terms of taxes and import duties planning, if done through Kyrgyzstan.
- Inexpensive but reasonably qualified labour force. Most speak Russian besides the native language.
- No exchange controls or capital flow restrictions. Complete freedom to repatriate profits.
- Proximity of China (this is important if Chinese raw materials / products are used). Well-established logistical support of imports from China.
- Semi-finished goods may be worked over / finished / packaged within Kyrgyzstan (in free zones or elsewhere), to legally obtain the «Made in Kyrgyzstan» status.
- Ease of getting land leases and finding premises to locate a business. Low rent rates. Availability of electricity, running water and natural gas.
- Availability of free zones.
- Easier bureaucracy for regulated businesses (licenses, permits, registrations etc.). This is

especially a plus for highly regulated production projects (Eg. pharma, chemicals etc.)

- A local company can be registered and fully started in several days. Newly registered businesses are exempt from scheduled regulatory audits for several years.
- Good quality banking is available. Many banks have first class foreign founders, including international financial institutions.
- Visa-free regime for citizens of many countries. Specialists from Russia can be invited without the need for work permits and can travel on a domestic passport.
- A positive attitude of the country's leadership to investors.
- Very low 'raidering' (forced takeover or racketeering) risks for businesses in the legal economy: the country has no authoritarian rule, and the power of various political and law enforcement figures is very evenly spread, so that there is always a counter-balance against any unlawful influence attempts.
- Tax benefits for internet businesses and IT industry focused on exports. A special tax-free regime of The High Technologies Park available to any qualifying business.