

## **The Government of the Kyrgyz Republic has approved anti-crisis financial and fiscal measures to support entrepreneurial activity**

As part of the work on the economic consequences of the virus, on 31 March 2020 the Government of the Kyrgyz Republic has adopted a series of measures aimed at supporting entrepreneurial activity. The approved anti-crisis financial measures include:

- recommendation to the National Bank of the Kyrgyz Republic (hereinafter the “NBKR”) on conducting explanatory work among the population on the preference of remote banking services;
- recommendation to the NBKR to conduct credit auctions in order to provide the banking system with the necessary level of KGS liquidity to maintain lending to the real sector of the economy;
- recommendation to the NBKR to ease prudential requirements for commercial banks and non-banking financial and credit organizations for the period until 1 January 2022;
- working with commercial banks on the extension and restructuring of principal and interest on loans for a period of at least 3 months, including projects funded by the Government of the Kyrgyz Republic and the Russian-Kyrgyz Development Fund (hereinafter the “RKDF”) in support of small and medium business;
- extension of the dates of general meetings of shareholders until 1 July 2020;
- fixing the norm on the provision of benefits to domestic suppliers in the amount of 20 percent during the public procurement procedure;
- adjustment of public procurement contracts by the dates, the observance of which was affected by the introduction of a state of emergency;
- raising funds of the RKDF placed in the securities of issuers of the Russian Federation for preferential lending to sectors of the economy of the Kyrgyz Republic;
- simplification of the RKDF procedures to ensure maximum accessibility to credit resources;
- working with development partners to jointly form a business support fund for the most affected by the spread of coronavirus and the announcement of a state of emergency.

The approved fiscal measures to support entrepreneurial activity include:

- provision of deferment and installment plan for the payment of the amounts of tax debt and social security debt arising from the introduction of a state of emergency from 22 March 2020;
- non-application of tax sanctions and penalties for untimely fulfillment of tax obligations until 1 July 2020;
- recommendation to local authorities on the provision of a delay of 3 months for payments for rent of municipal property from 1 April 2020;
- extension of the terms for the widespread introduction of components of the electronic system of fiscalization of tax procedures until 1 2020;
- extension of the deadlines for the submission of a single tax return for individuals and individual entrepreneurs until 1 April 2021;
- extension of the deadlines for submission of reports by business entities on taxes and social contributions until 1 July 2020, subject to timely payments;
- extension of the moratorium on inspections by state regulatory authorities until 1 January 2022;
- introduction of restrictions on field tax audits until 1 January 2021, with the exception of:
  - scheduled inspections of business entities operating in the production and turnover of excisable groups of goods;
  - unscheduled inspections conducted in case of reorganization, liquidation of organizations and termination of activity of an individual entrepreneur;
  - unscheduled inspections and cross-checks carried out in the case of receipt by the tax authorities of documented information evidencing the facts of incorrect tax calculation by taxpayers after the completion of a state of emergency regime.

- recommendation to the relevant organizations within 3 months: not to cut off electricity, water, gas and other utilities, communication and Internet services, due to the presence of subscriber arrears; do not charge penalties, penalties for non-payment of utility bills (for electricity, water, gas, garbage collection, communication services, Internet, etc.);
- provision of deferrals for payments for the rental of state property for 3 months from 1 April 2020;
- introduction of a temporary ban on conducting bankruptcy proceedings of enterprises until 1 January 2021.

In addition, the Prime Minister of the Kyrgyz Republic, Muhammedkaly Abylgaziev, called on employers who still have financial opportunities to show solidarity and social responsibility, ensuring a minimum income level for their employees during the quarantine period.