

THE LAW OF THE KYRGYZ REPUBLIC

On Amendments and Addenda to the Tax Code of the Kyrgyz Republic

Article 1.

The following amendments and addenda shall be introduced to the Tax Code of the Kyrgyz Republic (Vedomosti of Jogorku Kenesh of the Kyrgyz Republic, # 7, p.92).

1. In Article 1 "The Tax Code":

except the words "...local taxes and collections regulated by local authorities in accordance with rights delegated by the Jogorku Kenesh of the Kyrgyz Republic" from paragraph 1;

except the words "foreign investors and" and replace the words "regulated by the applicable laws of the Kyrgyz Republic" with the words "shall be regulated by the Law of the Kyrgyz Republic On Free Economic Zones in the Kyrgyz Republic" in paragraph 2.

2. In Article 3 "Taxes in the Kyrgyz Republic":

except the words "and other compulsory payments" from paragraph 1;

replace the words "in accordance with Article 1 of the current Code" with the words "in accordance with this Code" in subparagraph 2) of paragraph 2).

3. Add paragraphs 3 and 4 to Article 5 "The Procedure for Introducing Amendments to the Tax Code" which shall read as follows:

"3. Amendments to the tax legislation adopted in compliance with the established procedure shall become effective upon expiration of 15 days following their official publishment unless otherwise provided by the normative legal acts being adopted.

4. Tax legislation acts establishing new taxes, increasing tax rates or in some other way aggravating the position of taxpayers shall not have the retrospective effect of force".

In Article 8 "Instructions":

replace the word "may" with the word "shall" and add the words "and acquaint taxpayers with them through mass media" to paragraph 1;

except paragraphs 3 and 4.

5. In Article 9 "Definitions Used in This Code":

replace the word "territory" by the word "territories" in subparagraph a) of paragraph 32;

add to paragraph 33 the words "not applying the principle of the country of destination with regards to the Kyrgyz Republic" after the words "the CIS Member States";

the wording of paragraphs 43 and 44 shall be as follows:

"43. "Customs value" - customs value shall be determined pursuant to Section V Customs Tariff of the Customs Code of the Kyrgyz Republic.

44. "Customs territory of the Kyrgyz Republic" - the territory of the Kyrgyz Republic within which the Kyrgyz Republic has the exclusive jurisdiction with regard to the customs";

add to Article 8 paragraphs 53-66 which shall read as follows:

"53. "Direct taxes" - taxes paid directly from the income or property of a taxpayer;

54. "Indirect (consumer) taxes" taxes on goods, works and services imposed as addition to price or tariff that are not directly connected with the income or property of a taxpayer (VAT, the tax on services requiring payment, the tax on retail sales, etc.);

55. "The principle of the country of destination" - the principle according to which indirect (consumer) taxes are collected in the consumer country.

56. "Main source of income" - type of economic activity through which 75% and more of the total revenues are derived. The main source of income in agriculture shall be the revenues from sale of self-produced and processed agricultural products.

57. "Patent" - document issued by the Tax Service certifying payment of the corresponding taxes and the right of a taxpayer to a certain business.

58. "Members of corporations and associations of peasant and farmer enterprises and of other agricultural formations" - members having joined such formations with a parcel of land and/or a share of property.

59. "Fiscal period" - accounting period established for the purposes of taxation.

60. "Financial penalty" - measure of liability for tax offenses.

61. "Business expenses" - any types of expenses associated with production and business as well as with trade carried out by taxpayers.

62. "Tax inspection" - comprehensive complex of measures annually undertaken by an appropriately authorized official (officials) of Tax Agencies and aimed at adherence by a taxpayer to the requirements established by tax legislation.

63. "Tax obligation" - the total amount of obligatory payments charged from a taxpayer by the Tax Service and established by this Code to the benefit of the national budget, and the responsibilities of a taxpayer determined by the Tax Code.

64. "Profits (losses) from sale of goods, works, and services" difference between the revenue from sale of goods, works or services in current prices without the VAT and excise taxes, and their production and sale expenditures, that shows the final financial result of activities of an enterprise or branch for a calendar year and is accounted by the growing total.

65. "Counterinspection" - additional inspection of a subject performed by an authorized person only in order to find out its financial and business relationships with another subject of inspection.

66. "Export" - delivery of goods outside the customs territory of the Kyrgyz Republic carried out by a taxed subject".

6. Replace the word "Director" with the word "the first official in authority" in paragraph 2 of Article 10 of Part 2.

7. Add the words "pursuant to Article 8 of this Code" to Article 12 "Forms of Documentation and Instructions".

8. In Article 13 Tax Inspections and Audit":

add the sentence : "Any inspections other than counterinspections shall be prohibited" to paragraph 2;

add the words "after the first official in authority of an economic entity is acquainted with such information and all the norms of inspection are observed" after the word "entitled" to paragraph 3;

the wording of paragraph 4 shall be as follows:

"4. Results of any inspection shall be formalized by an act or by a certificate issued by appropriately authorized officials of the State Tax Service and signed by all the participants of the inspection. One copy of the document certifying the fact of performed inspection shall be handed in to an official of the inspected economic entity. If the subject under inspection refuses to acquaint with the inspection act or to sign it, a corresponding note shall be made in the said act".

9. In Article 15 "Provision of Information to a Taxpayer":

introduce the words "and the procedure" after the word "format"; the wording of the last clause shall be as follows: "The Tax Service shall acquaint a taxpayer with such documents through mass media".

10. Change the title of Article 18 "Interpretations of the Ministry of Finance of the Kyrgyz Republic" for "Tax Consultants". Article 18 shall read as follows:

"Article 18. Tax Consultants

1. The following persons may be tax consultants:

- 1) individuals who have a qualification certificate of a tax consultant;
- 2) legal entities licensed for the right of tax consulting;
- 3) persons licensed for audit and provision of legal services who have qualification certificates of a tax consultant;
- 4) audit and legal institutions licensed for provision of audit and legal services.

2. Tax consulting shall be aimed at assistance individuals and legal entities concerning correct and legal accrual and payment of taxes, execution of their tax obligations in compliance with this Code, provision of qualified professional assistance, and representation in courts and in law enforcement and tax agencies.

3. The aim of a tax consultant shall be to provide assistance in the course of accrual and payment of taxes on the basis of provided information, upon instruction and/or behalf of a client (principal), in the manner provided by this Code.

4. The basic principles governing tax consulting shall be the ethic and professional norms of a tax consultant and liability for violation of such norms. The ethic and professional norms are: professionalism, independence, honesty, unbiased approach, and adherence to the Tax Code of the Kyrgyz Republic and to other laws consistent with the Constitution of the Kyrgyz Republic.

5. Tax consultants shall be independent of state agencies, their clients (principals) and third persons".

11. In Article 27 "Powers of the Tax Service to Obtain Information":

the wording of paragraph 2 shall be as follows:

"An authorized official, supported by written powers, shall have the right to enter any territory (except residential) used for business activities or the territory open to public during business hours of a taxpayer under inspection without prior notice in order to inspect the taxpayer's adherence to the requirements of the Tax Code which shall be followed by official formalization of the results of the inspection";

except the words "within 10 days" from subparagraph 3) of paragraph 3.

12. In Article 29 "Tax Accounting Method":

add the words: "and shall not be changed during a fiscal year" to paragraph 2; except paragraph 3;

the wording of paragraph 4 shall be as follows:

"4. If a taxpayer changes the method of accounting, the taxpayer shall duly notify the appropriate tax agency one month prior the beginning of next fiscal year".

13. Article 40 "Current Tax Payments" shall read as follows:

"Article 40. Current Tax Payments

1. A taxpayer shall regularly make current tax payments to the budget not later than on the 20-th day of every month of a fiscal year at the rate of the corresponding tax applied to the average monthly result of business activity for the preceding year, unless otherwise provided by the respective parts of this Code.

2. In case of the absence of the taxpayer's financial results for the preceding year, the amount of current payments shall be determined by the Tax Service based on the pro forma data on the taxpayer.

3. If the financial results of a taxpayer change during a fiscal year, the taxpayer shall, upon coordination with the Tax Service, introduce respective amendments to the amounts of current payments, be they reduced or increased.

4. Failure to pay or past-due current payments shall entail financial penalties to be imposed on the taxpayer under Articles 63 and 64 of this Code".

14. Replace the word "may" with the word "shall" in the first clause of paragraph 2 of Article 47 "The Procedure for Past-Due Taxes".

15. Paragraph 2 of Article 48 "Tax Obligation Arising from Liquidation" shall read as follows:

"2. Tax obligation arising from liquidation of a legal entity shall be executed in accordance with the procedures established by the Civil Code of the Kyrgyz Republic and by the Law of the Kyrgyz Republic On Bankruptcy (Insolvency)".

16. Add subparagraph 5) to paragraph 1 of Article 50 "Assessment, Withholding and Transfer of Tax to the Budget":

"5) revenues and other extraordinary pays to non-resident individuals - at the place other than the place of their main work (studies, service)".

17. Add the words "or in case of expiration of the term of appeal" after the words "pay tax" to paragraph 2 of Article 51 "Recovery of Tax through Court"; replace the word "may" with the word "shall".

18. Replace the word "dissatisfied" with the words "who disagrees" in paragraph 1 of Article 57 "Administrative Appeals".

19. In Article 60 " Tax Liability Due During Appeal":

add after the first clause the second clause that shall read as follows: "Tax liability shall be effective and come into effect upon the body of the last instance renders the corresponding decision. Penalties for the whole period of consideration of the statement of appeal by a taxpayer shall not be accrued on the amount of the taxpayer's claim granted by the decision of the body of the last instance".

The second clause shall be considered the third clause.

20. In Article 63 "Interest on Past-Due Taxes":

replace the words "the tax is actually paid" with the words "following the date established for tax payment" in paragraph 1;

except paragraph 2.

21. Replace "25" with "20" in paragraph 1 of Article 64 "Penalties for Past-Due Filing and Past-Due Payments"

22. In Article 68 "Liability of Officials":

add to subparagraph 1) of paragraph 1 the words "and also obliged to meet other requirements" after the words "any tax";

add the words "or to meet other requirements provided by this Code" after the words "that tax";

add paragraph 4 that shall read as follows:

"4. The Provisions of this Article shall also be applied to individuals obliged to withhold, collect, report on or pay any tax provided by this Code".

23. Change the heading of Article 11 "Offenses by Authorized Officials" for "Liability for Offenses by Tax Service Officials".

24. Add the words "and Tax Service funds" to paragraph 1 of Article 71 entitled "Recovery of a Taxpayer's Losses Caused by Erroneous Actions of Tax Service Officials".

25. Replace the words "and associations" with the words "associations and other agricultural formations", add the words and the main source of income" after the word "production" to paragraph 2 of Article 72 "Income Tax Payers".

26. In Article 74 "Composition of Aggregate Annual Income":

except the words "life and health" from clause (4) of subparagraph 1) of paragraph 1; add the words: "with the exception of payments connected with an insurance event (accident) in the part of fixed assets within the limits of their book value in case of allocation of such payments for restoration of the fixed assets or acquisition of fixed assets of a similar type" after the words "amounts paid by employers";

add paragraph 6 that shall read as follows:

"6. The amounts of loans obtained through mortgage shall not be included in the composition of aggregate annual income".

27. In Article 75 "Deduction of Expenses Associated with Deriving Income":

add subparagraph 5 to paragraph 1:

"5) for insurance of the assets connected with economic activities";

the wording of paragraph 2 shall be as follows:

"2. Travelling expenses shall be subject to deduction only in the amount of actual expenses substantiated by the documents submitted (except daily allowances, in which case the standards shall be established by the Government of the Kyrgyz Republic). If the documents are missing - in the amount determined by the Government of the Kyrgyz Republic".

28. In Article 77 "Deduction of Interest Payment for Debt Obligation":

except the words "and multiplied by inflation rate in the period from the moment of debt occurrence up to the moment of debt recovery";

add paragraphs 3, 4 and 5 which shall read as follows:

"3. The amount of deduction shall not exceed the amount of income from a taxpayer's interest plus 50% of taxable income without revenues and expenses on interest.

4. Any expenses on interest that are not specified as deductions in paragraph 3 of this Article shall be considered expenses on interest subject to deduction in a successive fiscal year.

5. A taxpayer's expenses on recovery of loans under mortgage and the corresponding interest payments shall be subject to deduction from the taxpayer's aggregate annual income".

29. In Article 80 "Depreciation Allocations from Fixed Assets":

except the words "up to" from subparagraphs (1), (2), (3), (4), and (5) of paragraph 3;

except the last clause of paragraph 4;

the wording of part 10 shall be as follows:

"10. The Government of the Kyrgyz Republic may, upon coordination with the Legislative Assembly and upon approval of the Assembly of People's Representatives of Jogorku Kenesh of the Kyrgyz Republic, establish accelerated depreciation norms for certain types of fixed assets".

30. In Article 81 "Deductions with Respect to the Cost of Current Repairs":

except the word "current" from the heading of the Article;

except the words "current (non-capital) and "and improvements to capital assets" from paragraph 1;

except the words "current" and "and improvements" from paragraph 2; replace "5" with "10";

except the words "current" and "and improvements" from paragraph 3.

31. Add to the Code Article 83-1 which shall read as follows:

"Article 83-1. Deduction of Costs Associated with the Growth of
Fixed Assets

1. A taxpayer's costs of acquisition of fixed assets for own use but not for supply to another person shall be subject to deduction from the aggregate annual income at the rate comprising 15% of their value.

If a taxpayer refers the expenses provided for in paragraph 1 of this Article to the deductions, depreciation allocations for acquired fixed assets shall be made from the value of the fixed assets minus such expenses".

32. Except the words "the same amount each year" from paragraph 1 of Article 86 "Carrying Forward Operating Losses".

33. In paragraph 1 of Article 87 "Expenses Related to Investments and Economic Activity Which are Non-Deductible from Aggregate Annual Income":

add to subparagraph (1) the words: "except the amounts deducted from the aggregate annual income under Article 83-1 of this Code" after the words "capital expenses";

add to subparagraph (3) the words "except the land tax and the tax imposed on the owners of means of transportation" after the words "this Code".

34. In paragraph 1 of Article 88 "Non-Taxable Income":

except the words "on securities" from subparagraph 10);

add paragraph 16 that shall read as follows:

"16) the amount of additional payments established for work in mountainous areas".

In Article 89 "Income Tax Rates for Physical Persons":

exclude the words "except interest and dividend" from the first clause;

the wording of subparagraphs 2-4 shall be as follows:

"2) from 5 to 20 minimum annual salaries - the amount of tax on 5 minimum annual salaries plus 10% of the amount in excess;

3) from 20 to 100 minimum annual salaries - the amount of tax on 20 minimum annual salaries plus 20 % of the amount in excess;

4) over 100 minimum annual salaries - the amount of tax on 100 minimum annual salaries plus 33% of the amount in excess";

except subparagraphs 5 and 6.

36. In subparagraph 3 of paragraph 1 of Article 93 "Aggregate Annual Income":

except the words "except those previously taxed at the source of payment in the Kyrgyz Republic" from subparagraph (b);

add the words "except payments for an insurance event (accident) in the part of fixed assets within the limits of their book value if such payments are allocated for restoration of the fixed assets or acquisition of fixed assets of a similar type" after the words "insurance policies" in subparagraph (c).

37. In Article 94 Deduction of Costs Associated with Deriving Income":

add to paragraph 1 subparagraph 4) that shall read as follows:

"4) insurance of the assets connected with economic activity";

replace the words "(except daily allowance)" with the words ("except daily allowances the amounts of which shall be determined by the Government of the Kyrgyz Republic)".

38. The wording of paragraphs 3 and 4 of Article 95 "Deduction of Expenses on Interest Payment for a Debt Obligation" shall be as follows:

"3. The amount of deduction shall not exceed the amount of a taxpayer's income from interest plus 50 % of the taxpayer's taxable income in which the profits and expenses on interest shall not be included.

4. Any expenses on interest not specified as deductions in paragraph 3 of this Article shall be considered expenses on interest subject to deduction in a successive fiscal year".

39. In Article 97 "Depreciation Charges":

except the words "up to" from subparagraphs (1), (2), (3), (4), and (5);

except the last clause from paragraph 4;

paragraph 10 shall read as follows:

"10. The Government of the Kyrgyz Republic may, upon coordination with the Legislative Assembly and approval of the Assembly of People's Representatives of Jogorku Kenesh of the Kyrgyz Republic, establish accelerated depreciation norms for certain types of fixed assets".

40. In Article 98 "Deductions for Current Repairs Expenses":

except the word "current" from the title of the article;

except the words "current" and "improvement to capital assets" from paragraph 1;

except the word "current" from paragraph 2; replace "5" with "10"; add the words "unless otherwise provided by this Code";

add paragraph 4 that shall read as follows:

"4. The amounts of expenses on repairing means of movable railway facilities and of passenger transportation being in state and communal ownership shall be fully deducted from aggregate annual income";

41. Add to the Code Article 100-1 that shall read as follows:

"Article 100-1. Deduction of Expenses Connected with the Growth
of Fixed Assets

1. A taxpayer's costs of acquisition of fixed assets for own use but not for supply to another person shall be subject to deduction from the aggregate annual income at the rate comprising 15% of their value.

If a taxpayer refers the expenses provided for in paragraph 1 of this Article to the deductions, depreciation allocations for acquired fixed assets shall be made from the value of fixed assets minus the said expenses".

42. Add the words "by the taxpayer" after the words "carried out"; except the words evenly and subsequently to each year" from paragraph 1 of Article 103 "Carrying Forward the Losses Incurred in Connection with Economic Activity".

43. The wording of Article 104 "Loss Reserves for Banks" shall be as follows:

"Article 104. Loss Reserves for Banks

1. Banks shall form reserve funds for recovery of potential loan and leasing losses, which may be used only in order to secure loans obtained from banks and the assets equated with such loans. The amount of allocations to the said funds shall be established by the National Bank of the Kyrgyz Republic.

2. The amounts allocated by a bank to the reserve fund in order to recover potential losses associated with loan, leasing and transactions equated with them shall be deducted from the aggregate annual income".

44. Add to the Code Article 104-1 that shall read as follows:

"Article 104-1. Deductions from the Allocations to Insurance

Reserve Funds Formed by Insurance Offices

A legal entity engaged in insurance activity may deduct from the aggregate annual income the amounts of insurance allocations to insurance reserve funds in compliance with the norms to be approved by the Government of the Kyrgyz Republic".

45. In Article 105 "Expenses Not Subject to Deduction from Aggregate Annual Income":

add the words "except the amounts to be deducted from the aggregate annual income under Article 100-1, unless otherwise provided by this Code" to subparagraph (1);

add the words "except the land tax, the road tax and the tax on prevention and liquidation of emergency circumstances" to subparagraph 3 after the words "this Code";

add the words "the remaining 50% of the said expenses shall be referred to deductions".

46. In Article 106 "Rates of Tax on the Profits of a Legal Entity":

the wording of paragraph 2 shall be as follows:

"2. Profits of the Association of the Disabled of the 1st and 2nd Groups and of the enterprises of the Kyrgyz Association of the Blind and Deaf, where the disabled, the blind and/or the deaf comprise 50 and more per cent of the total number of the employees, shall be taxed at zero rate. The list of such enterprises shall be determined by the Government of the Kyrgyz Republic";

add the words "and the main source of income" after the words "productive asset" to paragraph 3.

47. Except Article 47.

48. In Article 109 "Rate of Tax on Income of Non-Residents Who Are Not Connected with a Permanent Institution in the Kyrgyz Republic":

replace "15" with "10" in subparagraph (1);

subparagraph (4) shall read as follows:

"(4) royalties, income from provision of services (including management and consulting services) and lease, and other incomes - 30 %".

49. Except Articles 110 and 111.

50. In Article 112 "Exemptions from Tax":

add the words "and profits of the penitentiary labor enterprises of the PMBPI of the Ministry of Interior Affairs of the Kyrgyz Republic";

add paragraphs 3 and 4 that shall read as follows:

"3. Aggregate annual income of legal entities shall be reduced by the amount of the assets transferred on a gratuitous basis including money, to non-profit charity institutions, in the amount not to exceed 2% of taxable income of the taxpayer.

Dividends received by legal entities - residents of the Kyrgyz Republic shall be exempted from taxes".

51. Except the words "life, health" from paragraph 1 of Article 114 "Insurance Companies"; after the word "property" substitute the word "and" instead of the word "or".

52. The wording of paragraph 1 of Article 115 "Current Tax Payments" shall be as follows:

"1. Legal entities shall monthly contribute to the budget the amounts of current tax payments except the amount of tax withheld at the source of income, not later than on the 20-th day of every month, in the manner provided by Article 40 of this Code".

53. The wording of paragraph 3 of Article 116 "Value Added Tax and its Administration" shall be as follows:

"3. The State Tax Inspection under the Ministry of Finance of the Kyrgyz Republic shall work out instructions on administration of the VAT imposed on deliveries within the territory of the Kyrgyz Republic; instructions on administration of the VAT on imported goods shall be worked out by the State Customs Committee under the Ministry of Finance of the Kyrgyz Republic and approved by the Government of the Kyrgyz Republic".

54. Except Article 118 "Regulating Supplies upon Transition to the New VAT".

55. In Article 121 "VAT Crediting Procedure":

add the words "unless otherwise provided by this Code" to the first clause of paragraph 1;

Add paragraph 9 that shall read as follows:

"9. Taxable subjects carrying out construction and assembling works may credit the amount of VAT paid for acquired material resources used for production purposes to create taxable supplies".

56. In paragraph 1 of Article 123 "VAT Accounting and the Term of Payment":

replace the words "months" by the words "1 month" in the first clause; add to the second clause the words "works and services" after the word "goods".

57. In Article 124 "Entitlement to Tax Subject to Credit" add the word "any" to the first clause after the word "produce"; add the words "of established standard form" after the word "invoice" in subparagraph (2).

58. In Article 134 "Tax Obligation Effective Date":

replace the words "2 or 3" with the words "2, 3 or 4" in paragraph 1;

add paragraph 4 that shall read as follows:

"4. For accomplished construction and assembling works the date of delivery shall be the day on which the work is finished and paid for".

59. Except the word "life" from the heading and the text of Article 141 "Life Insurance and Pension Services".

60. Change the heading of Article 142 "Municipal Transport" for "Transportation Services".

61. The wording of Article 145 "Supplies by Non-Profit Organizations" shall be as follows:

"Article 145. Supplies by Non-Profit Organizations

Supplies paid for in the amount that does not exceed the expenses on them shall be the supplies exempted from VAT if they are:

1) provision of goods, works and services by non-profit organizations to health care, educational, scientific, culture or sports institutions;

2) provision of goods, works or services by non-profit organizations aimed at social safety and protection of children or poor aged people;

3) provision of services by health care, educational, scientific, culture or sports institutions;

4) provision of services by public education institutions the activities of which are aimed at satisfaction of cultural needs of the population;

5) supply of specialized goods for the disabled".

62. The wording of Article 150 "Exports" shall be as follows:

"Article 150. Exports. Prevention from Double Imposition with the

VAT

Export of goods shall be a delivery at a zero VAT rate except export of goods to the countries applying the "country of origin" principle with regard to the Kyrgyz Republic.

63. In Article 159 " VAT refund from the budget" except the first clause from paragraph 2.

64. In Article 160 "Excise Taxes Imposed":

add the words: "unless otherwise provided for in this Article" to paragraph 2;

add paragraph 3 that shall read as follows:

"3. Excises shall not be imposed on excisable goods exported to the CIS states applying the "country of origin" principle with concern to the Kyrgyz Republic on condition that a producer affirms that the goods are exported".

65. Except the words "except the goods on which excise taxes are paid when purchasing excise banderoles" from paragraph 1 of Article 166 "Types, Methods and Terms of Payment".

66. Replace the words "for each 10 days of reporting month" with the words "within the terms established by the Government of the Kyrgyz Republic" in paragraph 2 of Article 167 "Responsibilities of a Taxpayer".

67. Replace the word "the use" with the words "the right to use" in Article 173 "Land Tax".

68. In Article 177 "Land Tax Rates":

the wording of paragraphs 1 and 3 shall be as follows:

"1. Basic land tax rates and the procedure for payment shall be adopted annually upon recommendation of the Government of the Kyrgyz Republic by the Legislative Assembly of Jogorku Kenesh of the Kyrgyz Republic as a single law and approved by the Assembly of People's Representatives of the Kyrgyz Republic";

"3. For settlements and agricultural ugodia referred by the Legislative Assembly of Jogorku Kenesh of the Kyrgyz Republic to the category of mountainous or distant, tax privilege comprising 50% of the basic rate of the unified agricultural tax for a certain region shall be established for payment of the land tax";

except paragraph 4.

69. The wording of Article 179 "Term of Land Tax Payment" shall be as follows:

"Article 179. Term of Land Tax Payment

A land user shall pay 10% of the annual land tax for the right to use agricultural ugodia by June 25; 35% of the said tax - by September 25; and 55% of the said tax - by December 25 of a current year.

2. A taxpayer shall pay the annual amount of the land tax for the land of settlements and of the lands of the designation other than agricultural in equal portions by the 20 th day of every month.

3. The annual tax land for the right to use personal land plots allotted to citizens in cities/towns and in countryside shall be paid by September 1 of a current year".

70. Add the words "and penitentiary labor enterprises of the PMBPI of the Ministry of Interior Affairs of the Kyrgyz Republic" to subparagraph 5 of Article 180 "Exemption from the Land Tax".

71. In Article 182 "Health Resort Tax":

replace the word "Oblast" with the word "Rayon"; add the words "for every day of stay" after the word "rate" in paragraph 2;

add to paragraph 8 the word "monthly" after the words "shall be".

72. In Article 185 "Fee for the Right to Hold Local Auctions and Lotteries, Competitions and Exhibitions for Commercial Purposes":

add to paragraph 1 the words "competitions and exhibitions held for commercial purposes" after the word "lotteries";
add the words "of the amount of the prize fund of commercial competitions and exhibitions, of the amount derived through sale of goods bidden for auction or of the cost of the lottery tickets sold" after the words "10 percent";
except the words "of the bidden goods value or of the cost of issued lottery tickets".

73. Add to paragraph 3 of Article 186 "Parking Fee" the word "monthly" after the words "shall be".

74. Add the words "monthly" after the words "shall be" to paragraph 2 of Article 188 "Fee Collected through Transactions Performed at Commodity and Raw Materials Exchanges".

75. Add the words "shall be of one-time type and" after the words "hotel tax" to paragraph 1 of Article 191 "Hotel Tax".

76. In paragraph 3 of Article 192 "Tax on the Right to Hunting and Fishing" replace the words "when paying a membership fee" with the words "when receiving a permit"; add the word "monthly" after the words "shall be".

77. In Article 193 "Tax Collected from Tourists Leaving for Countries outside the CIS" add to paragraph 4 the word "monthly" after the words "shall be".

78. In Article 194 "Tax Collected from Casino":

change the heading for "Taxation of Videosalons and Shows";

in paragraph 1 replace the word "casino" with the words "legal entities and individuals who have videosalons or perform mass shows in open sites, stadiums or in sports complexes as well as demonstrate videofilms in such places";

in paragraph 2 replace the words "tables for gaming, coin operated gaming machines, etc." with the words "seats in open sites, stadiums, sports complexes, and in videosalons".

79. Replace the word "average monthly cost" with the words "book value" in paragraph 2 of Article 196 "Tax Paid for Premises or Parts of Non-Used Premises Targeted for Production, Trade or Social Purposes".

80. In Article 198 "Object of Taxation and Tax Amounts" the words "60 tyins", "36 tyins", "1 som", and "30 tyins" shall be replaced respectively with "9 soms", "5 soms 40 tyins", "15 soms", and 4 soms 50 tyins".

Article 2.

This Law shall come into force on July 1, 1999.

Article 3.

The provisions contained in the first clause of subparagraph 26 (paragraph 6 of Article 74 of the Tax Code of the Kyrgyz Republic) and in the sixth clause of paragraph 28 (paragraph 5 of Article 77 of the Tax Code of the Kyrgyz Republic) of Article 1 of this Law shall become effective as of the time of implementation of the Law of the Kyrgyz Republic On Mortgage.

Article 4.

The Government of the Kyrgyz Republic shall:

- develop and submit to Jogorku Kenesh of the Kyrgyz Republic for consideration proposals for bringing the current legislation in line with this Law;

- annul the regulatory acts inconsistent with this Law.

President of the Kyrgyz Republic A.Akaev

Adopted by the Legislative Assembly
of Jogorku Kenesh of the Kyrgyz Republic May 27, 1999

Approved by the Assembly of People's
Representatives of Jogorku Kenesh
of the Kyrgyz Republic June 24, 1999