

## **LAW OF THE KYRGYZ REPUBLIC**

### **On state Registration of Legal Entities**

#### Article 1. Concept of State Registration of Legal Entities

State Registration of legal entities in the Kyrgyz Republic is carried out by application, which includes verification of compliance of the foundation documents of created legal entities with the laws of the Kyrgyz Republic, issuance of a Certificate of State Registration, with a registration number, and entry of information about legal entities in the unified State Register.

#### Article 2. Purposes of State Registration of Legal Entities

State Registration of legal entities on the territory of the Kyrgyz Republic shall be carried out to:

- certify the creation, reorganization, and termination of a legal entity;
- track established, reorganized, and liquidated legal entities on the territory of the Kyrgyz Republic and verify compliance of their foundation documents with the laws of the Republic;
- maintain the State Register of legal entities;
- provide State Statistics bodies and also other individuals and legal entities with information on established, reorganized, and liquidated legal entities.

#### Article 3. Legal Entities Subject to Registration

Commercial legal entities, regardless of the reasons for their creation, the types of their activities, legal form, or their founders, which are created on the territory of the Kyrgyz Republic are subject to State Registration pursuant to this Law.

Non-commercial legal entities, and also mass media and subjects in free economic zones are registered pursuant to the legislation of the Kyrgyz Republic on such organizations.

Branches and representative offices of legal entities located on the territory of the Kyrgyz Republic, except those branches and representative offices which are established on the territory of free economic zones, are subject to Simplified Registration pursuant to the procedure established by this Law.

#### Article 4. State Registration Body

The Ministry of Justice of the Kyrgyz Republic and its territorial branches (registration bodies) at the place of location (creation) of a legal entity shall carry out State Registration of legal entities.

The territorial branches of the Ministry of Justice of the Kyrgyz Republic are the corresponding branches of Justice in the localities.

In certain localities, the Ministry of Justice of the Kyrgyz Republic may appoint a representative-registrar, who will carry out State Registration of legal entities.

#### Article 5. Competence of the Ministry of Justice of the Kyrgyz Republic and Its Territorial Branches in Registration of Legal Entities

The Ministry of Justice of the Kyrgyz Republic shall carry out the following:

- state Registration of the following legal entities: those created in Bishkek; legal entities with foreign participation and with foreign legal entities created on the territory of the Kyrgyz Republic; Simplified Registration of branches and representative offices of foreign legal entities and enterprises with foreign participation;
- maintenance of the State Register of legal entities;
- methodological guidance of activities concerning State Registration of legal entities;
- monitor compliance of legal entities and territorial branches of the Ministry of Justice of the Kyrgyz Republic with the requirements of this Law;
- receipt of information on created, reorganized, and liquidated legal entities, their branches, and representative offices from the territorial branches of Justice;

- formation of a unified data base of legal entities, their branches and representative offices located on the territory of the Kyrgyz Republic;
- quarterly publication in its official press the list of registered, reorganized, and liquidated legal entities on the territory of the Kyrgyz Republic;
- review of complaints against the actions of the territorial branches of the Ministry of Justice for questions on State Registration of legal entities.

The territorial branches of the Ministry of Justice of the Kyrgyz Republic shall carry out the following:

- state Registration of legal entities created, reorganized, and liquidated on the respective territory, and also Simplified Registration of branches and representative offices, except for those legal entities and their branches and representative offices, which are subject to registration in the Ministry of Justice of the Kyrgyz Republic;
- maintenance of the Register for the respective oblast (district) of the Kyrgyz Republic;
- transfer to the Ministry of Justice of the Kyrgyz Republic information on legal entities created, reorganized, or liquidated on the respective territory.

The Ministry of Justice of the Kyrgyz Republic and its territorial branches shall submit to State Statistics bodies information on created, reorganized, and liquidated legal entities, for appropriate registration.

The Ministry of Justice of the Kyrgyz Republic and its territorial branches shall provide information to individuals and legal entities, upon request, on created, reorganized, and liquidated legal entities, pursuant to the procedure established by the Government of the Kyrgyz Republic, on a contractual basis.

#### Article 6. Procedure of State Registration

To register a legal entity, the applicant must submit to the appropriate registration body an application form established by the Ministry of Justice of the Kyrgyz Republic, with three Russian or Kyrgyz copies of the foundation documents copies required by Article 7 of this Law.

In cases set forth by the legislation of the Kyrgyz Republic, a document verifying deposit by the founders of a part of the charter capital shall be submitted to the registration body along with the foundation documents.

To register a legal entity for banking activities, additionally a permit from the National Bank of the Kyrgyz Republic for its opening shall be required, and for Simplified Registration of branches and representative offices of a bank - the consent of the National Bank of the Kyrgyz Republic is required.

The application must be signed by the founder or an authorized person. The attached foundation documents must be authenticated according to the procedure established by legislation.

For Simplified Registration of a branch or representative office of a legal entity, a certified resolution for the creation of such a branch or representative office, as well as a certified copy of the registered foundation documents of the legal entity creating it, must be submitted.

For Registration of legal entities with foreign participation, and for Simplified Registration of their branches and representative offices, additional documents must be submitted in accordance with the Law of the Kyrgyz Republic "On Foreign Investments in the Kyrgyz Republic".

Along with the above mentioned documents, a receipt or a copy of the payment order on payment for State Registration of the legal entity must be submitted to the registration body.

Requirement of any other documents and information in addition to those provided for by this Law is prohibited.

The applicant can submit the documents stipulated in this Article in person or through an agent.

#### Article 7. Foundation Documents to be Submitted for Registration of Legal Entities

A set of foundation documents, consisting of the charter (articles), a charter and founders agreement, or only a founders agreement, shall be submitted to the registration body, unless otherwise provided by legislation.

The foundation document of a general partnership or limited partnership is the founders agreement, which is signed by all general partners and which serves as the charter of the partnership.

The foundation documents of a business company, as well as associations of legal entities in the form of associations (unions), are the founders agreement, signed by the founders, and the company's charter approved by the founders.

The foundation document of a business company which is founded by one person (one participant), and other types of legal entities, except those specified in sections two and three of this article, is the charter approved by the founder.

The foundation documents of a legal entity must contain the information required by the existing legislation of the Kyrgyz Republic, which depends on the organization-legal form of the legal entity.

#### Article 8. Duties of the Registration Body

From the moment of receipt of the required set of documents, the registration body must:

- verify the completeness of the package of the submitted documents;
- verify the accuracy of documents;
- issue an Order on Registration of a legal entity if the foundation documents comply with the requirements of legislation;
- enter information about the legal entity in the Register;
- issue a Certificate of State Registration of the legal entity;
- open a file, containing a copy of each document submitted by the founder or its representative to the registration body. After formation of the file, two copies of the foundation documents, one of which is the original, shall be returned to the founder or its agent, with a notation of the State Registration;
- notify the State Statistics Committee within 10 days of the registration of the legal entity.

#### Article 9. Simplified Registration of a Branch or a Representative Office of a Legal Entity

To register a branch or representative office of a legal entity, properly certified copies of incorporation documents of the legal entity which seeks to create the branch or representative office must be submitted, pursuant to the requirements of parts three, five, and six of Article 6 of this Law.

Simplified Registration of a branch or representative office of a foreign legal entity shall be registered pursuant to the procedure established for registration of a branch or representative office of a Kyrgyz legal entity, along with the following:

- incorporation documents of the legal entity provided with a notarized translation into Kyrgyz or Russian language;
- a Resolution creating the branch or representative office, and a power of attorney conforming to the requirements of the legislation of the Kyrgyz Republic and which is in Kyrgyz or Russian;
- the application on registration (re-registration) must be accompanied by an excerpt from the trade register, or other document, certifying that the subject creating the branch (representative office) in the Kyrgyz Republic is an existing legal entity under the legislation of the country of its registration, and also a bank letter of confirmation of its solvency, with a notarized translation into Kyrgyz or Russian.

#### Article 10. Period for State Registration of a Legal Entity, and for Simplified Registration of a Branch or Representative Office

State Registration of a legal entity must be completed within 10 days of submission of an application with all necessary documents.

The date of filing shall be the date of receipt of the complete set of documents stated in Article 6 of this Law.

The above-stated period shall be suspended while an applicant corrects any defects in the foundation documents which were discovered during the course of their review.

#### Article 11. State Registration Fees

State Registration of a legal entity shall cost one minimum wage as set by legislation of the Kyrgyz Republic.

The fees for Re-registration of a legal entity, as well as for Simplified Registration of a branch or representative office, shall be half the amount stipulated in part one of this Article.

80 % of the legal entity registration fee shall be sent to the republican budget and the remaining part shall be at the disposal of the registration bodies for improving the registration system.

#### Article 12. Denial of State Registration

State Registration of a legal entity may be denied only for noncompliance of the submitted foundation documents with the laws of the Kyrgyz Republic.

In the event of denial of registration of a legal entity, the registration body must issue in writing the reasons for such denial, with reference to violations of the specific law, within 10 days of the filing of the application.

In the event of denial of State Registration, the fee paid for State registration or re-registration, shall be returned to the founders, with deduction of all expenses for the review of the documents. The amount for expenses for expertising may not exceed 20% of the amount of the fees paid for State Registration.

#### Article 13. State Registration Certificate

After verification of compliance of the foundation documents with the legislation of the Kyrgyz Republic, the registration body shall issue a Certificate of State Registration to the newly created legal entity.

A bank account may be opened only after presentation of the Certificate of State Registration of the legal entity.

Issuance of a Certificate of State Registration to a legal entity is not a basis to commence activities which also require obtaining a license pursuant to the laws of the Kyrgyz Republic. The legal capacity of a legal entity in spheres of activities requiring a license begins upon receipt of the appropriate license and ends upon cancellation or expiration of the license according to the procedure established by legislation.

The State Statistics bodies, on the basis of information sent to them by the registration branches and contained on the Certificate of State Registration, must include the information on State Registration and other necessary information on the legal entity in the State Register of Business Entities and assign to it unique identification and other Statistics codes.

#### Article 14. State Register of Legal Entities

The Ministry of Justice of the Kyrgyz Republic shall maintain the State Register of Legal Entities registered by it and its territorial branches.

The State Register of Legal Entities shall include the following information:

- the firm name of the legal entity;
- location and organizational-legal form of the legal entity;
- founders of the legal entity; and
- registration number of the legal entity.

The Ministry of Justice of the Kyrgyz Republic shall publish quarterly in its official press or in other generally available mass media the information from the State Register of legal entities created, reorganized, and liquidated within the corresponding period of time.

Information from the State Register of legal entities shall be official and open for review - any interested person shall be entitled to receive information from the State Register for a fee, the amount of which shall be established by the Ministry of Justice of the Kyrgyz Republic. State agencies are exempt from fees to receive information from the State Register of Legal Entities.

#### Article 15. Making Changes and Amendments to the Foundation Documents of a Legal Entity

In the event of introduction of changes or amendments to the foundation documents, a legal entity must file an application for Reregistration. Pursuant to point three of Article 86 of the Civil Code of the Kyrgyz Republic, foundation documents of a legal entity shall be subject to re-registration in the following events:

- change of charter capital;
- change of the type of activities, the firm name, or the competence of the bodies stipulated in the foundation documents;
- opening or liquidation of a branch or representative office;
- change in the founders of business partnerships or closed stock companies;
- a decision by a judicial or other authorized agency on reregistration of the legal entity.

In the above events, the following documents must be submitted to the registration organ:

- application for re-registration;
- decision of an authorized agency on introduction of the changes or amendments to the foundation documents;
- foundation documents with the introduced changes, certified pursuant to the established procedure;
- the prior foundation documents and Statistics Card for the legal entity, and the Certificate of State Registration (originals);
- receipt or payment order on payment of the re-registration fee.

In the event of reorganization (merger, break-up, consolidation, or spin-off) of a legal entity, a transfer deed, or a balance sheet with specified provisions on the succession of obligations of the reorganized legal entity, shall also be submitted to the registration body.

After submission of the necessary package of documents, the registration body within 10 days must:

- issue an order on re-registration of the legal entity if there is no violation of existing legislation;
- enter into the State Register new information on the legal entity and transfer the first copies of the foundation documents to the authorized person;
- issue the Certificate of Re-registration of the legal entity;
- withdraw the first copies of the previous foundation documents and include them in the registration file;

- add the new incorporation documents of the legal entity into the file. After the file is opened, two copies of the foundation documents (one of them which is the original) shall be returned to the founder or his representative.

Registration of the reorganized legal entity shall be carried out pursuant to the procedure set forth in Article 6 of this Law.

The registration body shall inform the State Statistics bodies and Tax bodies within 10 days of the state re-registration and on a change of address of the legal entity.

Legal entities must inform, without charge of any fee, within one month of any changes of other information (change of location, of the composition of the management agency, the director, telephone or fax number, etc.) which do not constitute a requirement for re-registration.

Within 10 days after issuance of a Certificate, or entry of new information on the legal entity which does not require re-registration, the registration body shall notify the State Statistics bodies.

#### Article 16. Issuance of a Duplicate of the Certificate of State Registration

Upon application of a legal entity, the registration body shall issue a duplicate of a Certificate of State Registration within 7 days.

A fee shall be charged for issuance of a duplicate of a Certificate of State Registration of a legal entity in accord with part two of Article 11 of this Law.

#### Article 17. Registration of Termination of a Legal Entity

Founders (participants) of a legal entity, or an agent thereof, which have adopted a decision on reorganization or liquidation a legal entity, must immediately inform the registration body of the forthcoming reorganization or liquidation. The registration body shall enter into the Register of legal entities a notice that the legal entity is in the process of reorganization or liquidation.

The registration body, after receiving a decision of liquidation of a legal entity, shall verify the compliance of the liquidation procedure (except in cases of liquidation with the participation of a court pursuant to the Law of the Kyrgyz Republic "On Bankruptcy"), or reorganization, with the procedure set forth in the Laws of the Kyrgyz Republic.

Registration of the liquidation of a legal entity is done under the following procedure.

The owner of the property of a legal entity, or the authorized body, which adopted the liquidation decision, shall submit to the appropriate registration body the following documents:

- a copy of the decision (of a court, an authorized body, the owner of the property of the legal entity) on liquidation of the legal entity;

- the originals of the foundation documents, of the Certificate of State Registration or Re-registration of the legal entity, and the Statistics Card;

- a conclusion of the Tax Inspectorate on absence of indebtedness to the state budget and a receipt from the militia on return of the seal and stamps of the legal entity.

After receipt of the above-mentioned documents, the registration body shall make an appropriate entry in the State Register of legal entities and notify the Statistics bodies that the legal entity is in the process of liquidation.

The registration body, within 10 days of termination of the liquidation process or submission of the liquidation balance sheet, must:

- monitor compliance of the liquidation procedure with that set forth in the Laws of the Kyrgyz Republic and the charter of the legal entity;

- issue an order on entering into the Register information on termination of activity of the legal entity, in the event of compliance with the established liquidation procedure. If any violations of the established liquidation procedure by the legal entity are found, the registration body shall deny registration;

- make an entry about the liquidation of the legal entity in the Register;

- return the originals of the foundation documents to the archives of the body of Justice;

- inform the Statistics and Tax bodies at the place of location of the liquidated legal entity of the completion of liquidation of the legal entity and of its exclusion from the Register.

The legal entity shall be deemed terminated after entry is made in the State Register of legal entities.

#### Article 18. Monitoring Existence of Legal Entities

Before July 1 of each year following the year of registration, a legal entity registered under this Law must file annually with the State Registration body which registered it a written notice that it is an active legal entity. The fee, transferred to the account of the registration body, shall be the confirmation of the legal entity as active. The amount of

the fee shall be established by the Ministry of Justice of the Kyrgyz Republic but may not exceed one third of the minimum wage set forth in the legislation of the Kyrgyz Republic.

The registration body must notify legal entities of the necessity to confirm their activities by publishing, one month prior to the deadline for notification established in part one of this Article, a reminder on the necessity of notification on the status of the legal entity in at least two mass media, or by sending a personal reminder to the legal entity.

Failure by the legal entity to comply with the requirements of this Article shall relieve the registration body of the responsibility to ensure authenticity of the information on the legal entity in the State Register of Legal Entities and shall serve as grounds for making an entry in the State Register of Legal Entities that the activity of the legal entity has ceased.

The Ministry of Justice of the Kyrgyz Republic shall publish in its press information on legal entities which have terminated their activity. If a legal entity pays the indebtedness for all previous unpaid fees, the registration body must publish an announcement that the legal entity's status as active has been revived.

#### Article 19. Resolution of Disputes

Disputes connected with the denial of State Registration of a legal entity, and also with cancellation of such registration, as well as other disputes between the founders of the legal entity and the state body which carries out registration, shall be resolved in court upon application of an interested party.

#### Article 20. Liability for Violation of the Law

Activity as a legal entity without State Registration is prohibited. Income from activities without State Registration shall be seized and deposited into the republican budget, in accordance with the legislation of the Kyrgyz Republic.

Failure to provide within one month notice of changed information of a legal entity which requires re-registration of a legal entity in compliance with the procedure provided by the law shall incur liability pursuant to the legislation of the Kyrgyz Republic.

In the event of illegal denial of registration of a legal entity by the registration body, the applicant has the right to demand in a court proceeding compensation for resulting losses.

#### Article 21. On Entry into Force

1. This law will enter into force on January 1, 1997.

2. Legal Entities registered as such before entry into force of this law, are not subject to re-registration before a decision is made by their founders to re-register in the bodies of Justice. A Certificate of Registration of such legal entities is effective for the entire period of its activity on the condition that it fulfills the requirements of Article 18 of this Law.

3. Before January 1, 1997, the Government of the Kyrgyz Republic must:

Introduce into the Jogorku Kenesh of the Kyrgyz Republic a request to bring existing legislation into accordance with this Law;

Bring its own decisions into accordance with this Law.

Take measures before this Law enters into force to create conditions at the branches of Justice for the registration of legal entities.

President of the Kyrgyz Republic A.Akaev

Adopted by the Legislative Assembly  
of the Jogorku Kenesh of the Kyrgyz Republic June 26, 1996