

BUSINESS INSIGHT

AMERICAN CHAMBER OF COMMERCE IN THE KYRGYZ REPUBLIC





SOCIAL MEDIA



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Aktilek Tungatarov was appointed as Executive Director of the American Chamber of Commerce in the Kyrgyz Republic

We are pleased to introduce to our members and partners **Aktilek Tungatarov**, Executive Director of the American Chamber of Commerce in the Kyrgyz Republic.

Aktilek was selected for this position through an open competition among 74 applicants. The selection of candidates was carried out with the help of an independent HR expert. The members of the Board of Directors attended the interviews and, through an independent assessment of the experience and skills of the candidates, decided to elect Aktilek to the position of the Executive Director of AmCham.

Below you can find a summary of Aktilek Tungatarov's experience and qualifications:

Aktilek holds a Master's degree in International Development from the International University of Japan and a Bachelor's degree in Business Administration from the American University of Central Asia.

Aktilek has extensive experience in the private sector, in the management of development projects and in cooperation with government agencies. From May 2015 to March 2019 Aktilek held the position of a top manager at "Kumtor Gold Company" CJSC.

From January 2011 to May 2015, Aktilek led the executive team of the "International Business Council" – one of the largest business associations in the Kyrgyz Republic. For more than four years Aktilek played an active role in promoting the interests of the business community and protecting the rights of the private sector, making a significant contribution to improving the investment climate in the Kyrgyz Republic.

From May 2009 to January 2011 Aktilek was a member of the team responsible for the implementation of the new corporate non-cash payments system at "Gazprom Neft Asia".

Aktilek will continue to strengthen the activities of the American Chamber of Commerce to promote and protect the rights of the business community, to work actively with the private sector of the country and to represent the interests of the members of the Chamber at all platforms of public-private dialogue.

The American Chamber of Commerce in the Kyrgyz Republic expresses its confidence in the successful development of the association and member companies under the leadership of Aktilek Tungatarov and wishes him success in his new position!



The Executive Director has already held a number of meetings with partners and members of the Chamber, identifying plans for further cooperation. Below are some of the meetings that Aktilek took part in during the early days of his work:

Meeting of the business community with the acting Prime Minister of the Kyrgyz Republic Artem Novikov. First Deputy Prime Minister (Acting Prime Minister) Artem Novikov held a business breakfast with the large entrepreneurs of Kyrgyzstan. During the event, the First Deputy Prime Minister spoke about the proposed amendments to the Tax Code and shared information on the activities of the Government. The issues of borders, tax administration and other topical issues were also discussed. *More details:* <https://economist.kg/2020/12/19/novikov-provel-delovoj-obed-s-krupnymi-predprinimateleyami-foto/>

Online courtesy visit with US Ambassador to the Kyrgyz Republic Mr. Donald Lu. At the meeting, the parties shared their ideas and outlined plans for further joint cooperation on improvement the business environment of the Kyrgyz Republic.

Meeting with the AmCham committees Chairpersons. The meeting was attended by Medet Tairov - Chairman of the Committee on Innovation, Digital and Information Technologies and Gulnara Satybaldieva - Chairwoman of the Committee on Construction and Real Estate Market. The plans and directions of work of the committees of the Chamber for 2021 were discussed at the meeting. *Information about the committees of the Chamber is available by the link in the section "Committees":* <https://www.amcham.kg/about/>

Meeting of the business associations with the presidential candidates of the Kyrgyz Republic. On December 24, 2020, Aktilek Tungatarov, Executive Director of the American Chamber of Commerce in the Kyrgyz Republic, took part in a meeting of business associations with presidential candidates of the Kyrgyz Republic. At the meeting, issues were raised about the work of customs, tax and law enforcement, as well as issues of the investment climate in

general. A number of candidates signed a joint declaration on entrepreneurship development and investment protection. *More details:* <https://economist.kg/2020/12/25/sovместnuju-s-biznesom-deklaraciju-podpisali-12-kandidatov-v-prezidenty/>

Online meeting with Tatiana Bystrushkina, Executive Director of the American Chamber of Commerce in Uzbekistan. At the meeting, the parties met and exchanged their experience and plans for working with members of associations in a pandemic. *Visit the website of the American Chamber of Commerce in Uzbekistan:* <http://amcham.uz/>

Congress of members and partners of the Chamber of Commerce and Industry in the Kyrgyz Republic. The American Chamber of Commerce became a delegate in the elections for the leadership of the Chamber of Commerce and Industry in the Kyrgyz Republic. Following the election of the President of the CCI KR, the current President of the CCI KR, Marat Sharshekeev, won the largest number of votes. *More details:* <http://cci.kg/news/1/3060.html>

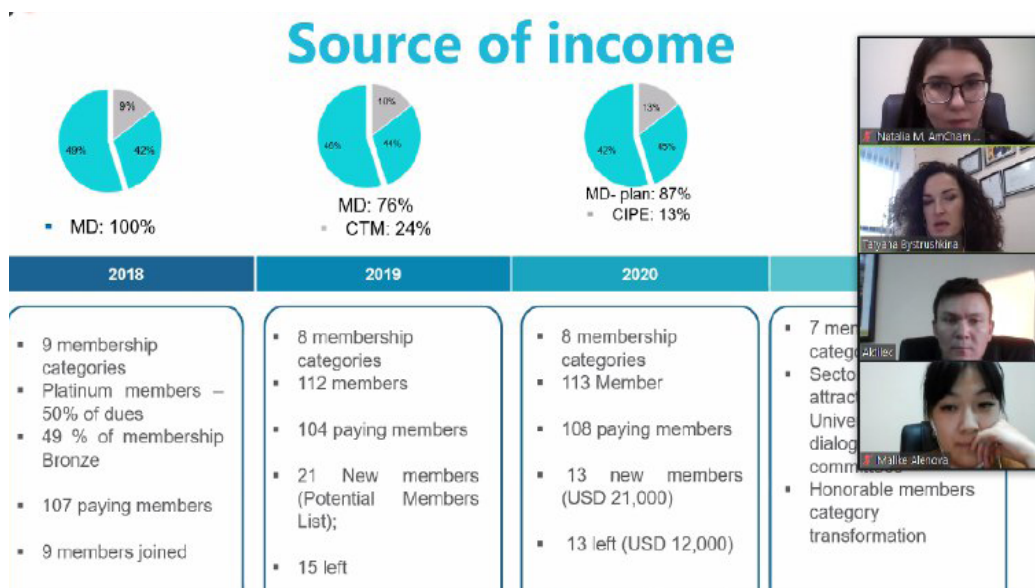
Meeting of the Supervisory Board of the Business Ombudsman Institute. At the meeting, the reports on the activities of the Business Ombudsman for the 2nd and 3rd quarters of 2020 were adopted and approved. *The reports can be found at the link:* <https://boi.kg/quarter-reports>

Meetings were held with the heads of a number of member companies of the American Chamber of Commerce in the Kyrgyz Republic. In the near future it is planned to hold meetings with all members and partners of the Chamber.

You can contact Aktilek by the following contacts:

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Presentation by the Executive Director of the American Chamber of Commerce in Uzbekistan

Digest of AmCham activities in 2020



We are pleased to present you a brief overview of AmCham’s activities for 2020.

AmCham started the year with the traditional annual meeting of members and partners – **AmCham Gala 2019**. On the meeting AmCham presented the results of its work in 2019 and held an Awards Ceremony for the best companies.

In March, the **second round of the mentoring program “AmCham Mentors Club” was launched**. The program expanded this year: 29 FLEX, Global UGRAD and ACCESS graduate students and 26 senior mentors are participating in the program. Within the framework of the program, in addition to active communication between mentors and mentees, 6 trainings and meetings were held, both online and live.

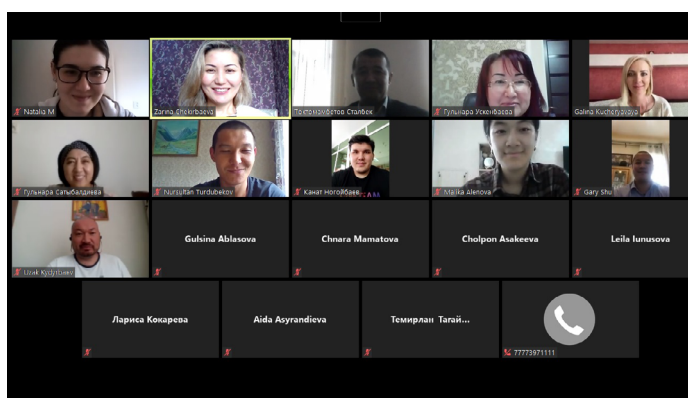
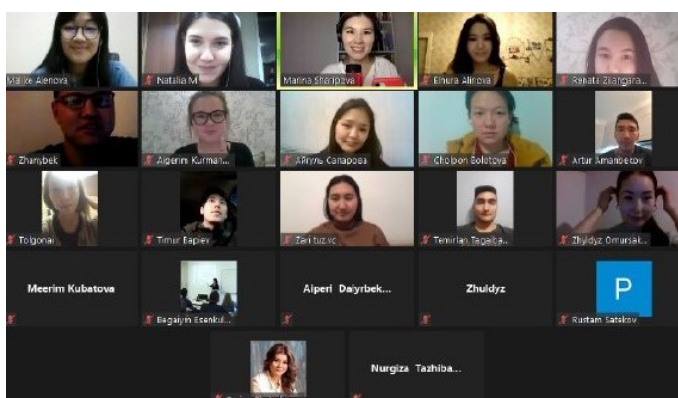


Before going online, **5 offline meetings** were organized for AmCham members, including meetings with the leadership of the National Bank of the Kyrgyz Republic, the Business Ombudsman of the Kyrgyz Republic, the Director of the senior management program at the Stanford University Graduate School of Business, cybersecurity expert from the United States, famous bloggers, as well as with other experts.

It is important to note that active work was carried out within the **AmCham working group under the Ministry of Economy of the Kyrgyz Republic**. As part of the work, 6 meetings were held under the chairmanship of the Minister or his Deputy. In addition to the regular six meetings, two events were held based on issues raised by members of the working group. It was a seminar on Antitrust Regulation by the Antimonopoly Regulation Agency, as well as a joint seminar with representatives of the State Tax Service, the National Bank of the Kyrgyz Republic, the Interbank Processing Center and the Ministry of Economy of the Kyrgyz Republic. Many of the issues raised at the meetings concern the activities of several ministries and departments. AmCham continues its work on some of the raised issues.



After switching to online mode AmCham held for its members video meetings with the **US Ambassador Donald Lu**, with the leadership of a number of government bodies on business issues, as well as 9 trainings for senior executives, on topics such as personal branding, anti-crisis communications, digital access architecture in corporate network, the art of investing and many others.





To support people in difficult times, AmCham has organized three charity campaigns:

- **#SupportTogether fundraising campaign** (purchase and delivery of medical and personal protective equipment to the regions of Kyrgyzstan on the amount of 705,507 KGS);
- **Assistance to “Joy of the Child” Charity Foundation** (delivery and preparation of food sets in cooperation with Demir Bank and Navigator Group) - 60 families in Kant received food boxes;
- **Assistance in organizing support to the “All Together” Public Foundation** with the full support of Food Dream LLC (TM KFC) - 57 families received food boxes from KFC.

*

During the quarantine, AmCham carried out work to obtain passes for unhindered movement around the city for employees of AmCham member companies. Several researches on the impact of the pandemic on the business of members were made as well. To make participating in the surveys more enjoyable, we raffled off prizes provided by our companies among those who answered the questions.

*



We tried to cheer up our members’ employees during remote work: after making a series of posts with books recommended by member companies, we raffled an **Amazon Kindle Reader** for the best book review.

*

Despite the fact that the pandemic made major adjustments to our plans, AmCham tried to provide maximum support to its member companies in the new realities. This review does not cover applications of companies on various issues and a number of small events, such as company tours, clean-up days and others. We will share our plans for 2021 very soon.

We are grateful to all members and partners for their cooperation, trust and professionalism! Let the difficulties that we all faced in 2020 stay behind and become a springboard towards new goals! AmCham confirms its commitment on working to improve the business climate of the Kyrgyz Republic!



AmCham Training “New realities: how the pandemic has changed the business approach”



On December 10 and 11, 2020, a two-day training was held for AmCham members with the support of the Center for International Private Enterprise on the topic “New realities: how the pandemic changed the approach to business.”

The trainer was Meder Amatov, the co-founder of the social enterprise “GreenTal Food” and the founder of Bastau business trainings at the Atameken National Chamber of Entrepreneurs of the Republic of Kazakhstan.

The first day was devoted to business strategy during the pandemic in general, the second day to marketing strategies in the new realities.

Below are some of the topics that was covered on the series of trainings:

- Adaptability of the company’s strategy
- Key competencies of management personnel in a crisis situation
- Transparency of business processes (admin)
- Creation of new response tools (analyst / creative)
- Decentralization of decision-making processes (strategist)
- Changes in the global marketing climate due to the pandemic
- Key crisis marketing tools
- Branding - knowledge and awareness of your brand
- Social projects - creating an image of a company with social responsibility

We express sincere gratitude to the speaker and participants for the interesting and useful training, as well as to the Center for International Private Enterprise for their support!

Meeting with “AmCham Mentors Club” Mentors

Yesterday, December 24, 2020, AmCham team held a meeting with mentors of the AmCham Mentors Club.

At the meeting, the mentors shared their experience of working with their mentees, discussed plans and exchanged ideas and recommendations for the further implementation of the project. It was decided to extend the project until March 2021. Upcoming year, together with the mentors of the project, a number of interesting and useful events will be organized for both mentors and mentees.

We thank all the mentors of the project for their efforts and invaluable contribution to the development of youth of the Kyrgyzstan!





First ever Cyber Security Week in Kyrgyzstan organized by Green Light

On November 2-6, Green Light, with the support of the State Committee for Information Technologies and Communications of the Kyrgyz Republic (“Digital CASA – KR” project) and other partners, organized the first Cyber Security Week in Kyrgyzstan online on Cisco WebEx.

The event presented on one website virtual sessions from leading experts in information security, an online contest for technical experts, and a conference on cybersecurity. Throughout the week, world-renowned experts from Russia, Kazakhstan and Ukraine shared their experiences and useful recommendations. The third day of the Cyber

Security Week was dedicated to cybersecurity practices. For over four hours, information security specialists performed tasks and received points as part of online contest “Capture the Flag”.

The purpose of this event was to improve the level of cyber-hygiene and digital literacy among the population, as well as to improve the skills of specialists in the field of information security. Cyber Security Week was held within the framework of the Action Plan for the Implementation of the Cyber Security Strategy of the Kyrgyz Republic for 2019-2023.

Grant Thornton Kyrgyzstan was successfully certified to ISO 9001: 2015 and ISO/IEC 27001: 2013

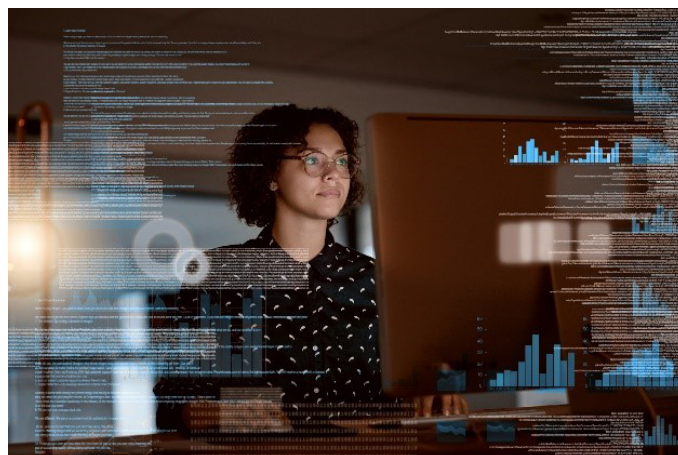
Today, the professional audit, consulting and accounting services sector is more than ever in need of confidence of clients, partners and community. Grant Thornton Kyrgyzstan has always adhered to the principles of professionalism and responsibility, and now this statement has been officially confirmed. We are pleased to announce that our company has received the following international quality compliance certification:

9001:2015 Quality Management System. Guarantees provision of quality advisory and business risk services.



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ISO/IEC 27001:2013 Information Security Management System. Confirms high level of protection of corporate and client data during the collection, processing, storage and transmission of information received and created in the course of providing business services and performing basic business processes.



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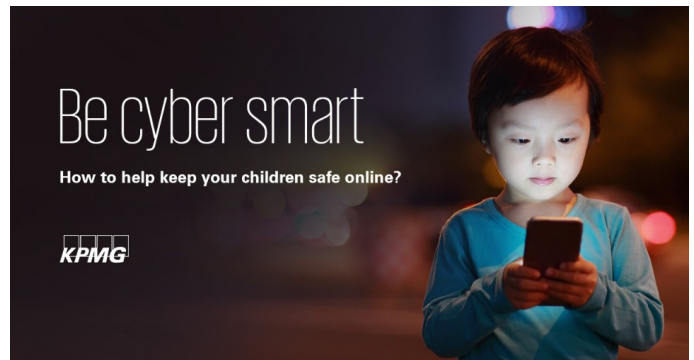
KPMG: World's largest tech leadership survey

According to the world's largest tech leadership survey, COVID-19 forced one of the biggest surges in tech investment in history. Companies spent the equivalent of around US\$15bn extra a week on technology to enable safe and secure home working during coronacrisis. Although technology expenditure has risen dramatically during the pandemic, the survey found that technology budgets will be under more strain over the year ahead. Prior to COVID-19,

over half (51 percent) of IT leaders expected a budget rise in the next 12 months, but during the pandemic this number declined to 43 percent.

"We were impatiently awaiting the results of the IT directors survey, which was conducted in two stages this year - before and after the lockdown restrictions around the world. However, we have not seen any big surprises - as already mentioned in

many studies, the pandemic has accelerated the already existing trends towards Agile, customer- and data-centric services, and artificial intelligence. If we pay attention to the indicators, which differ in Kazakhstan, there are 5 issues worth mentioning, which can be found at <https://bit.ly/3lZaHSe>," comments Konstantin Aushev, Head of Technology Consulting, KPMG in Kazakhstan and Central Asia.



How safe are your kids online? The pandemic has created new challenges for both parents and children. Children of all ages, now daily, are turning to their devices for learning, playing games or interaction with friends. Now more than ever, how can we ensure that our children are being safe online and making sensible decisions? We suggest that you familiarize yourselves with the following six recommendations to ensure that your children are safe when they are online. To read the material, please follow this link: <https://bit.ly/2KLpq5F>

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* EXAMPLES OF GIFT BOXES CAN BE FOUND IN THE ATTACHED CATALOG.
** FROM EACH GIFT YOU PURCHASE, PART OF THE AMOUNT GOES TO SUPPORT FAMILIES IN NEED.

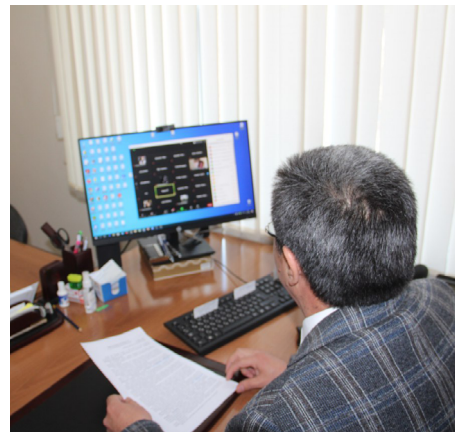
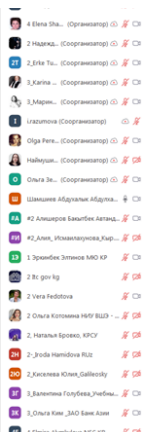
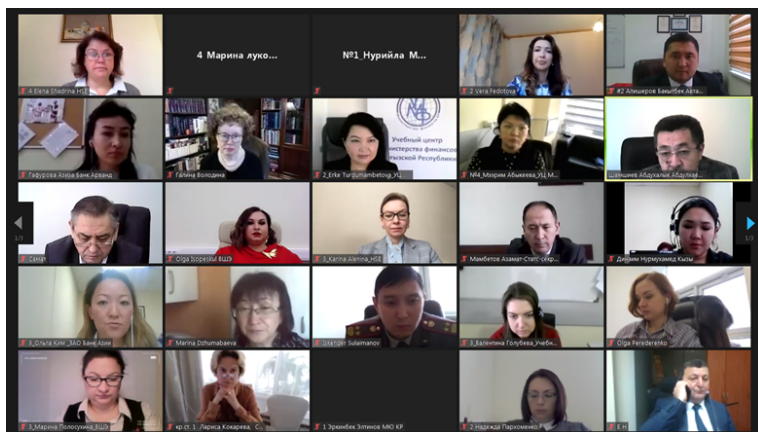
During the quarantine period, in the current difficult situation the number of families needing help grew. And our Ecomade team can't ignore it. During the quarantine period, we have helped more than 60 families.

Today, Ecomade has 12 families under the constant care, to whom we deliver grocery every two weeks.

From each purchased gift, part of the amount goes to support families in need

With care and happy holidays!
Ecomade team

Crown Agents: International Forum “HR Management in a New Reality”



On December 3, 2020, the Training Center of the Ministry of Finance of the Kyrgyz Republic, together with the National Research University’s Higher School of Economics in Perm (Russia) and Crown Agents Ltd (UK) held the International Forum “HR management in a New Reality”.

The topic of the Forum was especially relevant due to the fact that the labor market in Kyrgyzstan is undergoing changes amid the COVID-19 pandemic and considering the period of political instability.

The success of any organization depends on the readiness of its management and staff to quickly adapt to the constantly changing

economic realities. To be successful, you need to be ahead of the curve - to understand and sense what will be required tomorrow and to propose a solution before everyone asks the question “How can I solve this problem?”

The Forum provided an opportunity to exchange views for highly qualified experts from 6 countries (Azerbaijan, Kyrgyzstan, Uzbekistan, Tajikistan, Russia and the UK) on such issues as “Relevant Trends in HR” and “HR Transformation: New Tools and Priorities”.

Please follow this link to view the video: <https://www.youtube.com/watch?v=YymN3s0mLEE>

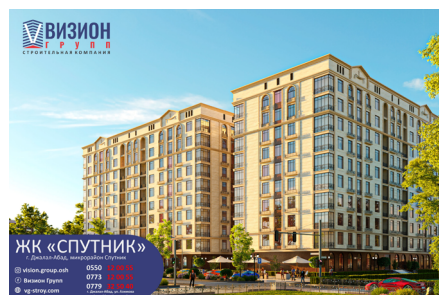
Vision Group: “We build reliable and comfortable houses for you!”

Since 2015, Vision Group construction company has been successfully working in Osh and Jalal-Abad, building modern residential complexes in a stylish and high-quality design.

The company occupies the leading position with the most number of residential complexes in the south of Kyrgyzstan. Over the past five years, the company has successfully completed construction of and commissioned four facilities in Osh. Currently, five residential complexes in the center of Osh and one residential complex in Jalal-Abad are under construction. Uniting Vision Group’s construction complexes are consistently high quality of construction, individual architectural projects and high-quality engineering equipment.

The company’s mission is to provide people with comfortable housing for the entire family, while demonstrating loyalty, individual approach and excellent service. In addition, it includes provision of suitable offices to businesses, using modern solutions and the experience of professionals.

Vision Group: “We build reliable and comfortable houses for you”



Activities of “Lights Creative Group” during November 2020



At the beginning of the month, Lights Creative Group hosted the Chairman of the “Korean Dream Network Public Corp”, Mr. Chung Yonghwa, with whom the company discussed the opportunities in the field of animation and the animator profession in Kyrgyzstan.

On November 21, LCG partnered with the Women in Digital Entrepreneurship Hackathon, which was organized by the «Aiyim Bashtait» Foundation. At this event, the company’s Founder, Nurlan Mirzamatov,



and the Curator of the Production Department, Maksat Omorov, talked about creating unique content, concept choosing, monetization, algorithm and promotion on YouTube.

In addition, the company has successfully completed training of students as part of the “2D Animation course “ and helped its graduates with the job search. Meanwhile, in the middle of November, new cohorts of students on “2D Animation” and “3D Animation” were formed and began studies.



Kompanion Bank reduces interest rates on business loans

Kompanion Bank reduced interest rates on business loans (including loans under the KYRSEFF program) as part of a holiday special offer, effective December 1-30, 2020. Reduced interest rates are offered for loans over KGS 250 000.

The minimal interest rate after the reduction constitutes 18% per annum in KGS.

A business loan is a loan issued for the development of small and medium-sized businesses, for investments in equipment, commercial real estate and financing operating assets.

*Effective annual interest rate starting at 20,28%

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The preparation of financial statements in accordance with the International Financial Reporting Standards ('IFRS')

Dear friends and partners,

The year 2020 is drawing to a close and it has brought many surprises and challenges to all of us. We wish you prosperity and growth in the coming year 2021.

At the same time, for organizations, the end of the year involves preparing financial statements in accordance with International Financial Reporting Standards (IFRS), which is a daunting task. Each year, the International Accounting Standards Board (IASB) publishes new standards and amendments that can significantly affect the presentation of a complete set of financial statements.

Armen Vanyan
Managing partner
Grant Thornton Kyrgyzstan

The preparation of financial statements in accordance with International Financial Reporting Standards ('IFRS') is challenging. Each year, new Standards and amendments are published by the International Accounting Standards Board ('IASB') with the potential to significantly impact the presentation of a complete set of financial statements.

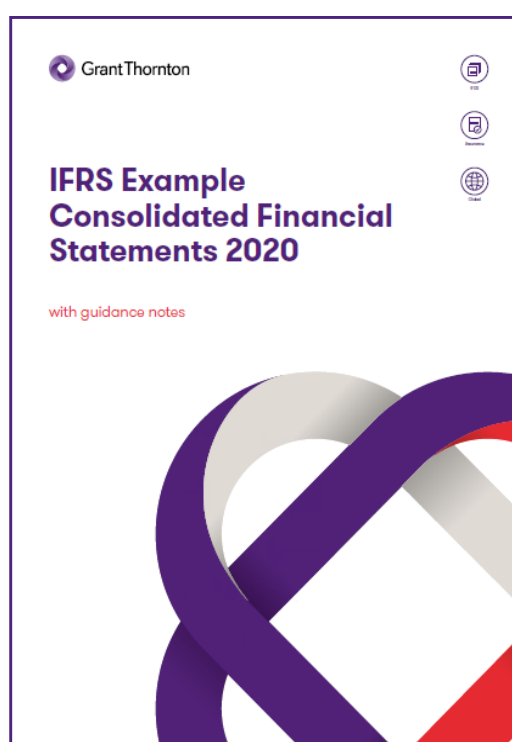
The member firms of Grant Thornton International Ltd ('GTIL') have extensive expertise in the application of IFRS. GTIL, through its IFRS Team, develops general guidance that supports its member firms' commitment to high quality, consistent application of IFRS and is therefore pleased to share these insights by publishing 'IFRS Example Consolidated Financial Statements 2020' ('Example Financial statements').

The Example Financial Statements are based on the activities and results of Illustrative Corporation and its subsidiaries ('the Group') – a fictional consulting, service and retail entity that has been preparing IFRS consolidated financial statements for several years. The form and content of IFRS financial statements depend on the activities and transactions of each reporting entity. Our objective in preparing the Example Financial Statements is to illustrate one possible approach to financial reporting by an entity engaging in transactions that are typical across a range of non-specialist sectors. However, as with any publication of this type, these example financial statements cannot envisage every possible transaction and therefore cannot be regarded as comprehensive. Management as defined by the IASB, is ultimately responsible for the fair presentation of financial statements and therefore may find other approaches more appropriate for its specific circumstances.

These Example Financial Statements have been updated to reflect changes in IFRS that are effective for the year ending 31 December 2020. No account has been taken of any new developments after 30 September 2020.

You can find an example of financial reporting in English, in accordance with IFRS at the link below:

https://bit.ly/GTIL_IFRS2020



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