



BUSINESS INSIGHT

AMERICAN CHAMBER OF COMMERCE IN THE KYRGYZ REPUBLIC



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SOCIAL MEDIA



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Change of management of the American Chamber of Commerce in the Kyrgyz Republic

AmCham Executive Director Zarina Chekirbaeva resigned in September of 2020. Zarina led AmCham Kyrgyz Republic for last 5.5 years.

Emilbek Orozbaev, AmCham Board Member, has been temporary fulfilling authorities of Executive Director, till appointment of a new Executive Director of AmCham.

Here we present a farewell message from Zarina Chekirbaeva:

“Dear friends,

It has been more than a month since I resigned as the Executive Director of our dear AmCham due to my participation in the parliamentary elections. I would like to use this opportunity to thank each of you for your invaluable support provided over the past 5.5 years. Our common mission - support and development of business in Kyrgyzstan - has brought us closer, and in many of you I have found not only colleagues, but also good friends. I did everything in my power to ensure that our Chamber was represented on all national and international platforms, has built solid respect and strong voice at all government levels, and, most importantly, brought great value in development in each of your businesses. I would like to express my deep gratitude to you for the trust placed in me and my team and wish you successful business development, the implementation of your most ambitious plans, and the embodiment of your most daring decisions! I will always be there to support business in our country!

Please take care of yourself and your beloved ones! I can always be reached out via my personal email address at zarinach@gmail.com.

With warmest regards,

Zarina”

Ministry of Economy 2020 Awards

Congratulations to our dear entrepreneurs on receiving awards from the Ministry of Economy of the Kyrgyz Republic! Your contribution to the development of the country and society is invaluable!

Awards were rewarded to:

- Pavel Morozov, KFC
- Ernis Minkeev, Avangard Style
- Myrzabek Orumbaev, Adal Azyk (TM “Toyboss”)
- Sanzhar Kaparov, Kant TSP
- Nurlan Mirzamatov, Lights Creative Group
- Gulnara Satybaldieva, Alpha Development
- Artur Pak, Tash-Temir
- Eugene Krazhan, Sky Mobile (TM “Beeline”)

We wish you to keep growing and achieve new heights in the future!



World Clean-Up Day at AmCham

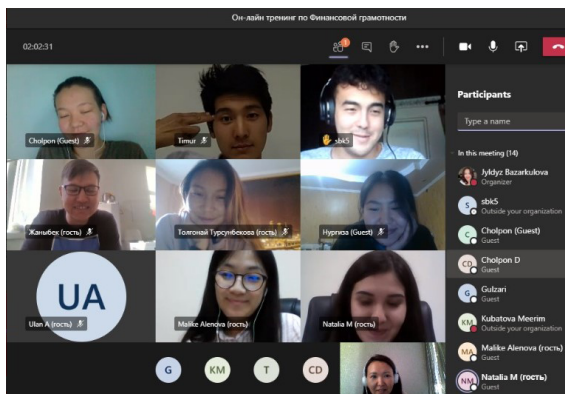
This is how AmCham celebrated World Clean Up Day – cheerfully, with positive attitude!

In addition to cleaning up the Botanical Garden, the participants learned a lot about useful and rare plants that grow in that beautiful place. The air there is fresh and clean because of the conifers – it feels like you are in the mountains.

Our group collected 40 bags of garbage!

We sincerely thank Freedom Finance Kyrgyzstan, whose big friendly team joined the initiative; Crown Agents, who participated with their families; as well as other active citizens who were there!





Training with Jyldyz Bazarkulova on financial literacy in the framework of the AmCham Mentors Club project

On September 23, 2020, a training on the topic of Financial Literacy was given by Jyldyz Bazarkulova – a Trainer from the Staff Development and Training Department, FINCA Bank. The training was organized for alumni of USG programs and AmCham Mentors Club mentees.

The trainer taught on the aspects of financial planning, discussed the importance of accounting for income and expenses, introduced the participants to various tools for saving, and conducted practical exercises.

AmCham would like to thank Jyldyz Bazarkulova and FINCA Bank Kyrgyzstan and for the useful training and contribution to financial education of young people!

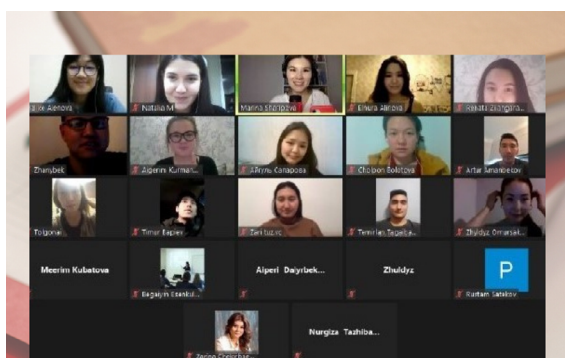


HR training with Nurzat Aidaraliev within the AmCham Mentors Club project

On September 9, 2020, an online meeting was held with Nurzat Aidaraliev - a Mentor of the AmCham Mentors Club, HR Manager of Coca-Cola Bishkek Bottlers.

Nurzat talked discussed tips on interviewing, interacting with colleagues and management, approaches to choosing a profession, and other interesting insights from the HR field.

We thank Nurzat Aidaraliev and Coca-Cola Bishkek Bottlers for the committed time and for her desire to share her knowledge with young professionals!



Personal branding training with Marina Sharipova

On October 28, 2020, a webinar was held for the AmCham members on the “Personal branding”.

The speaker was Marina Sharipova, a specialist from Kazakhstan, podcaster and blogger, PR specialist and marketer.

At the training, participants learned about the principles of building a personal brand on social media (positioning, defining a role, visualization, content), analyzed successful examples of a personal brands, and much more.

AmCham would like to thank the speaker for the useful training, as well as the participants for their participation and interesting questions!

Personal Branding
Training for AmCham members



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Corporate New Year Party
at Sheraton Bishkek

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ПРОГРАММА ЛОЯЛЬНОСТИ FINCA БАНК

Special benefits for FINCA Bank clients

FINCA Bank values its clients and, as a sign of recognition and gratitude for their cooperation, in the view of its 25th anniversary in Kyrgyzstan, FINCA Bank CJSC is launching a specialized loyalty program entitled “RAKHMAT”!

Ms. Nazakat Aslanova, Chief Commercial Officer of FINCA Bank CJSC, explained in an interview who may participate in the program and what privileges and bonuses are expecting the clients. Full text of the interview can be found on the Bank’s website: www.FINCABANK.kg

“Kant TSP” LLC opens a new plant for the production of asbestos-cement roofing slate in Kyzyl-Kiya

“Kant TSP” LLC has opened a new plant in the Batken region, designed for two production lines.

- **The enterprise provides** 150 jobs.
- **The area of the production workshop:** 3,735 m².
- **Plant capacity:** 3,7 million sheets of roofing slate per year.
- **Main products:** 8-wave roofing slate sheets. The second stage envisages the production of painted products (8-wave roofing slate sheets of various colors).

Future plans also include the construction of an additional workshop for the production of pressure and non-pressure pipes with a diameter of 100, 150, 200, 300 and 400 mm.

The production is designed to meet the needs for roofing slate in the South of the Republic, as well as for export to Uzbekistan and Tajikistan.



The achievements of “Lights Creative Group” company for September 2020



The Lights Creative Group Company is pleased to announce the completion of the shooting process of the series called “Tan Aldynda” in September 2020, which is currently showing on YouTube. The story is about a young and progressive man, who, while on vacation back home, has to sacrifice a successful career, comfortable life and friendship for the sake of positive changes in his country.

After the successful completion of the series’ shooting, the company launched children’s animation courses for the Moho program. Children from 10 to 15 years of age may enroll in the courses.

Also in September, the Lights Creative Group received their fourth Gold Button (Max & Sofi Kinderwood Channel) for 1 million subscribers on its channel.

In addition, on September 16, 2020, the Company’s Founder Nurlan Mirzamatov received an award from the Ministry of Economy of the Kyrgyz Republic in the “Young Entrepreneur” category.

The “FERMA Market” health food store chain by Ecomade enters the online grocery market

Ecomade’s philosophy represents a culture of environmentally friendly thinking through natural and organic products, as well as conscious and sustainable consumption.

The company delivers quality products from Kyrgyz farmers and protect our customers from foods that are harmful to health.

The main feature of FERMA stores:

- high quality from the local producer
- 80% of products under the FERMA brand are produced without preservatives, flavor enhancers, and chemical dyes
- taking care of the consumers and the producers

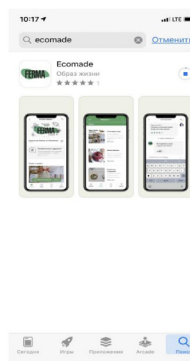
Just like the rest of the world, the company strives to make its communication with the customer as convenient as possible. During the pandemic, they have successfully launched the ECOMADE app and delivery of “life-giving” foods from their farmers.

Link to Android app: <https://play.google.com/store/apps/details?id=com.loya.ferma&hl=rus>

Link to iOS app: <https://apps.apple.com/ru/app/ferma-market/id1500325343>

The company is delighted to be involved in the development of a new generation that cares about health, food quality, the level of service and convenience.

Download the mobile app in the services of Google Play and the AppStore

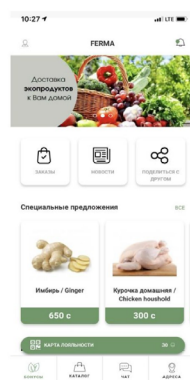


Open on your device and click the button Register in (Зарегистрироваться)

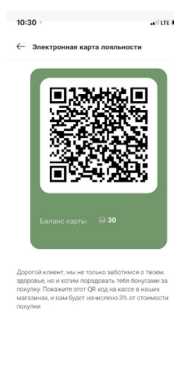


Mobile application ECOMADE

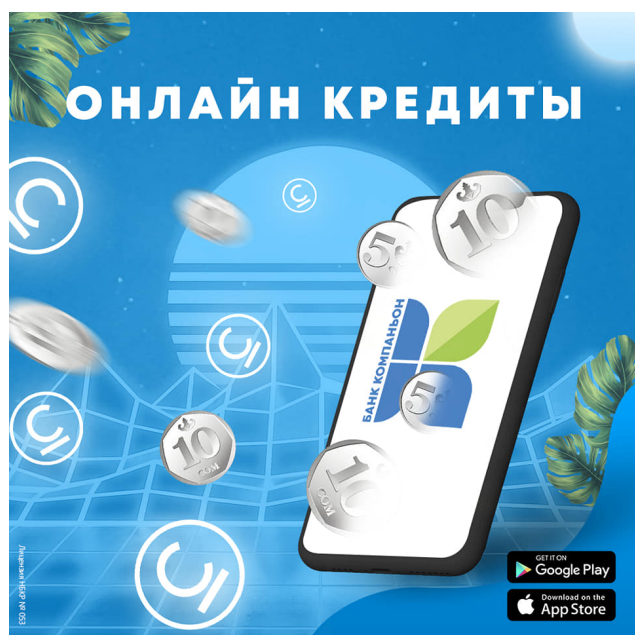
Done. On the main page there are news, promotions, discounts, orders and a CATALOG (КАТАЛОГ) for online orders



Press - LOYALTY CARD (КАРТА ЛОЯЛЬНОСТИ) to see the number of points available. Show the QR code with every purchase at the checkout in our stores, thereby you will accumulate points!



Online loans from Kompanion Bank



Kompanion Bank announces a new remote method of obtaining a loan, which will allow all users more comfort and freedom of action. From now on, to get a quick loan, the users of Kompanion Wallet need not contact the bank branches. Just a few taps in the application and the loan is on your balance!

1. Download the **Kompanion Wallet** app for free on Google Play or AppStore;
2. Open the application and select “Loans”> “Receive a loan” on the main page;
3. Fill in your personal data, select the required amount and term;
4. Wait for immediate consideration;
5. Receive a loan that will be transferred to your e-wallet balance.

Important: Online loans are only available to identified users of the e-wallet. Kompanion Bank customers may undergo wallet identification online.

For additional details, please call Customer Service: 0 (312) 33-88-00 or 88 00 (toll-free for mobile operators in KR), or head over to Kompanion Bank’s official website: www.kompanion.kg

Fee-free Transfers to Elcart through MegaFon

In cooperation with MegaFon, Kompanion Bank is launching a service for fee-free money transfers to ELCART cards of any bank in Kyrgyzstan. This new remote method will allow all customers to find greater comfort and convenience in using financial services regardless of distance. There are now two ways for clients to transfer money to ELCART cards from Russia:

- Replenishment of ELCART through an employee at MegaFon service office
- Replenishment of ELCART through a MegaFon terminal

The transfer is carried out instantly. Commission - 0%.

For additional details,
please call Customer Service:
0 (312) 33-88-00 or 88 00
(toll-free for mobile operators in KR),
or head over to Kompanion Bank's
official website: www.kompanion.kg.



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POACHED EGGS
OMELETTE

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BEEF SAUSAGES
GRILLED VEGETABLES
ROASTED POTATOES

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BELGIAN WAFFLES WITH BERRY COMPOTE
FLUFFY BUTTERMILK PANCAKES WITH CHOCOLATE SAUCE
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PIZZA&PASTA

Employment relations:

Employee Salary



Salary is the main form of employee income and in many organizations the main expenditure item

An employee is considered hired after signing an employment contract and issuing an internal order to appoint him to the position. The employer makes an entry in the employee's work (labor) book indicating the name of the company, the date of commencement of labor activity and the number of the internal order.

But, is it so easy to hire a specialist and pay him remuneration for his honest work?

Labor relations are governed by a number of regulatory legal acts.

For example, the relations for establishment of the work schedule, the wages, the terms of repayment are regulated by the labor law, the procedure for the withholding and insurance contributions from the payroll by tax legislation and the law on state social insurance, legal liability for non-payment or delayed payment of wage by labor and administrative law.

How does an employment relationship start?

When hiring employees, you need to maintain a number of documents related to the performance of labor duties:

- manning table;
- labor contract;
- employment order;
- registration and storage of a work (labor) book;
- timesheet;
- orders for employee incentives, etc.;
- keep records of unused vacation days;
- travel documents, etc.

It is necessary to be more vigilant about the documentation that determines the calculation of salaries, average salaries for calculating vacation pay, sick leave and other income of an employee, especially when he/she is fired. As practice shows, the court most often satisfies the employee's claim against the organization.

What is salary?

According to Art. 151 of the Labor Code of the Kyrgyz Republic «Salaries - remuneration (compensation) for work, depending on the complexity, quantity, quality and conditions, as well as compensation and incentive payments»



Thus, almost everything that the organization pays to the employee is classified as his/her income.

For example, in addition to the salary, bonuses, vacation pay, the employee's income will also be paid meals, goods, services received from the employer, or work and services rendered to the employee by third parties, but which are paid by the employer and even gifts and discounts.

By paying this income, the organization acts as a tax agent, who is obliged to calculate, withhold and pay income tax, as well as insurance contributions to the social fund.

Payroll calculation by example

On August 1, 2020, the company hired a specialist from the Kyrgyz Republic, set him a salary of KGS 10,000 and also allocates KGS 200 daily for lunch. The next month he had his birthday, and the company gave him/her KGS 5000 and also transferred KGS 1000 to his personal number, as he called the company's clients from his personal cell phone. In September, the employee took 2 days of unpaid leave.

Let's calculate salary for August and September.

August

There were 20 working days in August. The employee worked all the days.

Accruals:

salary: $\text{KGS } 10000 / 20 \text{ days} * 20 \text{ days} = \text{KGS } 10000$
lunch: $\text{KGS } 200 * 20 \text{ days} = \text{KGS } 4000$

Salary: $\text{KGS } 10000 + \text{KGS } 4000 = \text{KGS } 14000$

Deductions:

Contributions to the pension fund from an employee $\text{KGS } 14,000 * 8\% = \text{KGS } 1120$
Contributions to the state accumulation fund per employee $\text{KGS } 14,000 * 2\% = \text{KGS } 280$

Personal Income Tax: When calculating personal income tax (PIT), the tax base for accrual is reduced by the amount of standard deductions: deductions to the social fund and personal deduction in the amount of KGS 650.

$\text{KGS } 14000 - ((1120 + 280) - 650) * 10\% = \text{KGS } 1195$

Salary payment: $14000 - 1400 - 1195 = \text{KGS } 11405$

The information presented in this publication is of a general nature. Neither legal entities nor individuals should act on the basis of this information without obtaining professional advice from specialists in the field of tax and labor legislation, in terms of the wage fund, taking into account the specific features and circumstances applicable to a particular legal entity or individual.

If you do not want to spend time on an in-depth study of all aspects of labor relations, Grant Thornton experts are always happy to provide professional assistance, based on many years of experience at both local and regional levels.

September

There were 22 working days in September. The employee worked for 20 days.

Accruals:

Salary: $\text{KGS } 10000 / 22 \text{ days} * 20 \text{ days} = \text{KGS } 9091$
Lunch: $\text{KGS } 200 * 20 \text{ days} = \text{KGS } 4000$
Birthday gift: $\text{KGS } 5000$
Reimbursement of expenses for cellular communication: $\text{KGS } 1000$

Salary: $9091 + 4000 + 5000 + 1000 = \text{KGS } 19091$

Deductions:

Contributions to the pension fund from an employee $\text{KGS } 19091 * 8\% = \text{KGS } 1527$
Contributions to the state accumulation fund per employee $\text{KGS } 19,090.91 * 2\% = \text{KGS } 382$

Personal Income Tax: $19091 - ((1527 + 382) - 650) * 10\% = \text{KGS } 1653$

Salary payment: $19091 - 1909 - 1653 = \text{KGS } 15529$

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