

LAW OF THE KYRGYZ REPUBLIC

About the High Technology Park of the Kyrgyz Republic

Article 1. General provisions

This Law determines the legal basis of state support of the software development industry, as well as the functioning of the High-Tech Park, its governing bodies, residents, the basic principles of forming the regime of the High-tech Park, including the basic principles of taxation of residents.

Article 2. Concepts and definitions used in this Law

The High Technology Park of the Kyrgyz Republic is a zone with the regime of the Hi-Tech Park for legal entities and individuals who are residents of the High Technology Park and operate in accordance with Article 4 of this Law.

The High Technology Park regime is a special legal, tax regime applicable to residents of the High Technology Park, establishing exemption from taxes and benefits on insurance premiums in accordance with the legislation of the Kyrgyz Republic, effective for 15 years from the date of creation of the High Technology Park, applicable to residents of the High Technology Park, provided that they carry out the types of activities of the High Technology Park listed in Article 4 of this Law.

A resident of the High Technology Park is a legal entity or an individual registered as a resident in the manner prescribed by this Law and other acts provided for therein.

Interactive service center (call-center) is a center that provides services for processing incoming and outgoing calls using hardware and software systems, as well as providing virtual office services, technical support regarding rental of workstations and software.

Professional Association of Software Product Manufacturers is a public association representing the interests of developers and manufacturers of software products.

Article 3. The main objectives of the High Technology Park

The main objectives of the High Technology Park (hereinafter - HTP) are:

- development of the domestic industry of software development, new and high information technologies, as well as the provision of services of interactive service centers (call-centers);
- creation of an integrated system of state support for domestic high-tech business;
- promoting the results of scientific and technical activities of companies in the domestic and international markets, increasing exports of software development and services in the field of information technology;
- attracting investment by creating a favorable tax and business environment for international representatives of the information technology development industry;
- creating a favorable environment and infrastructure for the legalization of the domestic information technology industry;
- stimulating the development of science and education to increase the number of specialists in the field of information technology;
- promoting the implementation of modern world standards for the quality of software development.

Article 4. Types of HTP activities

Types of HTP activities:

- software development, including: analysis, design and programming of information systems, including those ready for implementation, analysis of information needs and problems of users, design, development, delivery and documentation of individual and / or finished software, including those that meet orders of specific customers adjusting programs as directed by the user;
- export of information technology and software;
- creation and provision of services of interactive service centers.

Article 5. Structure and governing bodies

The Supervisory Board consists of 9 members, is elected for 3 years and is formed in the following order:

- 3 members are appointed by the Jogorku Kenesh of the Kyrgyz Republic;
- 3 members are appointed by the Prime Minister of the Kyrgyz Republic;
- 3 members are appointed by a professional association of software manufacturers.

See:

Decree of the Prime Minister of the Kyrgyz Republic dated December 3, 2012 N 888 (On approval of the composition of the Supervisory Board of the High Technology Park of the Kyrgyz Republic)

The Chairman of the HTP Supervisory Board is appointed by the Prime Minister of the Kyrgyz Republic from among the members of the HTP Supervisory Board. If the votes are equal, the vote of the chairman of the HTP Supervisory Board is considered decisive.

The Supervisory Board carries out its activities on the basis of regulations approved by the decision of the Government of the Kyrgyz Republic. The Supervisory Board appoints and removes the director of the HTP, approves the budget of the directorate of the HTP, makes decisions on the final registration of the resident and deprivation of resident status.

See:

Regulation on the Supervisory Board of the High Technology Park of the Kyrgyz Republic (approved by the Decree of the Government of the Kyrgyz Republic of May 2, 2012 №267)

The direct management of the HTP is carried out by the executive body of the HTP - the directorate of the HTP, headed by the director.

Article 6. Residents of HTP

A legal entity or an individual can be registered as an HTP resident, whose income is at least 90% composed of income derived from the activities listed in Article 4 of this Law.

Foreign legal entities or individuals can also be registered as a resident of HTP.

To register as an HTP resident, a legal entity or an individual applying for such registration shall submit an application in the form established by the Supervisory Board.

A legal entity or an individual who, as its main activity, in accordance with its charter (if any) has one or more activities specified in Article 4 of this Law, has received the relevant conclusion of the authorized governing body of the HTP directorate, is subject to initial registration as an HTP resident for a period of 6 calendar months from the date of initial registration. Initial registration is certified by a certificate.

After 6 calendar months from the date of initial registration, the HTP resident submits a report in the form established by the HTP Supervisory Board. If the authorized management body of the HTP directorate establishes the conformity of the types of activities carried out by the HTP resident during the initial registration period to the types determined by the Article 4, and also if the resident meets the conditions specified in the first paragraph of this article, the HTP resident is subject to final registration as an HTP resident and information about him is entered into the unified register of HTP residents. Final registration is termless and is certified by a certificate.

With respect to HTP residents, the legislation of the Kyrgyz Republic is valid in so far as it does not contradict this Law, and regardless of the place of actual residence and / or registration of a legal address provided that activities are carried out in the territory of the Kyrgyz Republic.

If facts of HTP resident carrying out activities other than those of HTP are revealed, if this leads to a violation of the conditions specified in the first paragraph of this article, the initial registration as an HTP resident is canceled and the legal entity or individual entrepreneur is subject to taxation on a common basis, including the period of initial registration.

An HTP resident may be deprived of HTP resident status only if it reveals that it has carried out activities that differ from the HTP line of business, if this leads to a violation of the conditions specified in the first paragraph of this article, or other violation of the provisions of this article, or repeated evasion of quarterly deductions in accordance with Article 7 of this Law. The registration of an HTP resident can be canceled by the Supervisory Board from the moment of identification of the implementation of activities that are contrary to Article 4 of this Law, or from the moment of their implementation.

The decision to deprive the HTP resident status, as well as the decision to cancel the primary registration of the HTP resident can be appealed in accordance with the legislation of the Kyrgyz Republic.

Deprivation of the status of an HTP resident can be carried out on the basis of an application by an HTP resident.

The legal regulation of labor relations of employees of HTP residents is determined by the legislation of the Kyrgyz Republic on labor, as well as by the conventions of the International Labor Organization that have entered into force in the manner established by the legislation of the Kyrgyz Republic.

When making settlements for goods and services rendered, an HTP resident uses exclusively non-cash payments.

After one year from the date of final registration, at least 80% of the goods and services should be exported and / or at least 80% of the income of the HTP resident should be earned as a result of the export of goods and services.

The fundamentals of legal relations between the HTP resident and the HTP directorate are determined by the concluded contract.

Article 7. Activities of the HTP Directorate

In order to effectively ensure the functioning of the HTP, the budget of the Directorate of HTP is formed.

The activities of the HTP Directorate will be financed through quarterly deductions by HTP residents in the amount of 1% of the proceeds received for the previous quarter as a result of the activities of the HTP, other income and receipts.

The HTP Directorate is subject to the HTP regime.

Article 8. HTP regime

For HTP residents, a special tax regime is established, determined by the tax legislation of the Kyrgyz Republic. Employees of HTP residents in the prescribed manner are subject to state social insurance determined by the legislation of the Kyrgyz Republic.

Article 9. Legislation of the Kyrgyz Republic on HTP

Relations arising in connection with the activities of the HTP and the registration of HTP residents are regulated by this Law, tax legislation, other regulatory legal acts of the Kyrgyz Republic and international treaties that have entered into force in the manner established by the legislation of the Kyrgyz Republic.

If an international agreement that has entered into force in accordance with the legislation of the Kyrgyz Republic establishes other rules that are contained in this Law, then the rules of the international agreement shall apply.

Article 10. Entry into Force of this Law

This Law shall enter into force one month after the date of its official publication.

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To the Government of the Kyrgyz Republic:

- 1) bring their decisions in accordance with this Law;
- 2) ensure the adoption of regulatory legal acts arising from this Law;
- 3) make proposals to the Jogorku Kenesh of the Kyrgyz Republic on bringing the legislation of the Kyrgyz Republic in accordance with this Law.

President of the Kyrgyz Republic R. Otunbaeva

Adopted by the Jogorku Kenesh
Kyrgyz Republic June 10, 2011