

Kyrgyzstan Legal Framework Analysis: Key Highlights

This one-pager aims to provide a brief overview of the most notable features of Kyrgyzstan’s national cooperative legal framework, based on the work of national legal expert and ICA member input. In the Kyrgyz Republic there are special laws regulating the activities of various types of cooperatives. Legal acts (LA), which are special laws regulating the activities of cooperatives, and they are located below in accordance with the LA hierarchy:

1	Civil Code of the Kyrgyz Republic of May 8, 1996 No. 15 (last modified on August 6, 2018 No. 88).	<i>The concept of a cooperative and the basis for the formation of cooperatives are provided for in articles 152, 153.</i>
2	Law of the Kyrgyz Republic “On cooperatives” dated June 11, 2004 No. 70 (last modified on 07/26/2018 No. 70).	<i>The law defines the legal and economic foundations of the formation and activities of cooperatives of the Kyrgyz Republic and their unions.</i>
3	Tax Code of the Kyrgyz Republic of October 17, 2008 No. 230 (last modified on August 6, 2018 No. 88).	<i>The Tax Code defines the basic principles for the taxation of cooperatives. Tax issues are provided for only in the tax code, it is prohibited to include taxes in other laws.</i>
4	The Land Code of the Kyrgyz Republic of June 2, 1999 No. 45 (last modified: January 12, 2018 N 12).	<i>Regulates issues of land use, land allocation, the right of cooperatives to lease state land, provides for the concept of garden and garden cooperatives.</i>
5	The Law of the Kyrgyz Republic “On the Tariffs of Insurance Contributions for the State Social Insurance” of January 24, 2004 N 8 (latest update on July 15, 2017 No. 125).	<i>This law establishes and determines the rates of insurance premiums for state social insurance.</i>
6	The “Concept of the development of the agricultural cooperative system in the Kyrgyz Republic for 2017-2021”, approved by the Government of the Kyrgyz Republic on April 21, 2017 No. 237.	<i>The concept defines the main directions of development and the necessary measures to be taken by the state bodies and all participants of the cooperative movement for the further development of agricultural cooperatives.</i>

Cooperative Friendliness: In general, it can be considered that Kyrgyz legislation is ‘quite cooperative friendly’ for the functioning of cooperatives. In general, the state actively promotes the development of cooperation in the country, which is reflected in many strategic documents and main acts. However, inconsistencies in legal acts coupled with insufficient attention and indecisive actions also lead to the fact that cooperatives, for all the importance of their development, do not receive sufficient support.

Key recommendations for improvement: A few of the key recommendations are:

- necessary to make the law “On cooperatives” in terms of determining the number and types of subjects for the formation of cooperatives, clarifying the concepts of dividends, cooperative payments, types of shares, the procedure for including and excluding members.
- In the legislation governing cooperative activities, it is necessary to introduce norms on the law of cooperation of cooperative unions, representative bodies of cooperatives with cooperatives of foreign countries and international cooperative organizations.
- It is necessary to disclose in the legislation the concepts and order of organization of the activities of agricultural cooperatives, consumer cooperatives, primary, secondary levels of cooperatives.



Conclusions: In general, the legal framework in Kyrgyzstan regulating the activities of cooperatives is friendly, though the existing disharmony of legal norms reflected in various acts complicates the process of conducting activities and makes it attractive as a legal form of organization. The process of improving and shaping the most favorable climate for the development of cooperatives is not complete and there is a need to refine and make changes in other legal acts, since the definition of cooperation and its use as a tool goes beyond the previously established framework of the sectoral nature. The lack of experience in the development of cooperation requires the help of more experienced and competent experts.

