

KYRGYZSTAN



**GRATA**  
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# BUSINESS LAW **NEWS DIGEST**

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## 1. KYRGYZSTAN INTRODUCED CHANGES IN SUBSOIL USE REGULATION

Starting December 2025, Kyrgyzstan has introduced amendments to the Procedure for the Calculation, Payment, and Collection of the Fee for Maintaining Licenses for the Right to Subsoil Use. The updated document significantly redistributes functions among state bodies and changes the obligations of subsoil users.

### ***Key Amendments :***

#### **1. The Ministry of Natural Resources, Ecology, and Technical Supervision retains oversight but transfers financial administration to the STS**

The Ministry approves fee calculations and reports, and makes decisions regarding license status and force majeure events. Additionally, within one month the Ministry must provide the STS with a complete list of fee payers as of 31 December 2025, including their arrears, overpayments, and obligations for 2025.

#### **2. Administration of the fees transferred to the State Tax Service (STS)**

- Calculations and reports must now be submitted through the Taxpayer's Individual Account;
- The STS maintains personal taxpayer accounts, records assessments, payments, and penalties, and enforces debt collection under tax legislation;
- Based on information from the STS, the authorized body is required to suspend or revoke licenses of subsoil users who have outstanding debt.



### **3. New obligations for subsoil users**

Companies and individual entrepreneurs are required to:

- submit calculations and reports exclusively electronically through the Taxpayer's Individual Account ;
- undergo tax registration within 30 days after obtaining a license;
- pay monthly fees by the 20th day of each month;
- submit revised calculations in case of changes in the licensed area, transformation, or license cancellation;
- notify the authorized body of force majeure within 30 days.

### **4. Strengthened control and automated sanctions**

Failure to pay or late submission of calculations automatically results in:

- suspension of the license;
- subsequent revocation if the debt is not settled.

### **What businesses should do now**

- ✓ verify the accuracy of tax registration for each license;
- ✓ ensure that calculations are submitted through the Taxpayer's Individual Account and comply with updated forms;
- ✓ establish a system for timely monthly payments;
- ✓ conduct an internal audit of overpayments/debts – the STS will receive this data centrally.





## 2. ENHANCING TRANSPARENCY AND LIABILITY IN SINGLE-PARTICIPANT COMPANIES

Kyrgyzstan has adopted amendments to the Civil Code aimed at increasing the transparency of corporate structures and the liability of business entities in which a single individual or entity acts as the sole participant. These innovations take effect in the context of combating improper corporate governance and the risks arising from chains of affiliated companies.

### ***Key Amendments:***

#### *1. Transparency of single-participant company structures*

The law permits the establishment of a limited liability company whose sole founder (shareholder) may be another business entity with a single participant, provided that there is no direct or indirect control by a foreign legal entity.

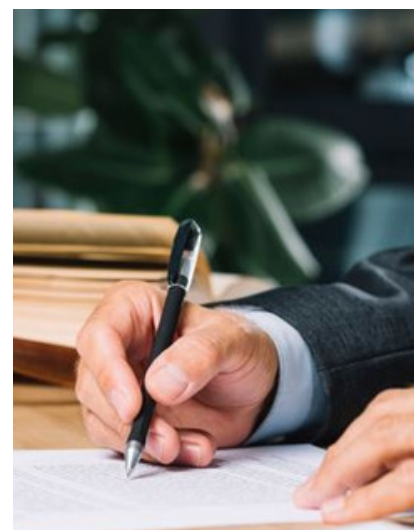
#### *2. Joint and subsidiary liability*

Joint and subsidiary liability is established for such single-participant companies (excluding state and municipal entities) for the obligations of:

- companies in which they were or are participants at the time the obligations are performed;
- subsequent companies in the chain of ownership, if they were formed in such a manner by the sole participant.

#### *3. Limitation on the depth of ownership chains*

A prohibition is introduced on the registration of a new company if its sole founder is a single-participant company and the maximum permissible ownership chain depth is exceeded – no more than three levels, including the ultimate company.





#### *4. Exclusions from liability*

The rules on joint and subsidiary liability do not apply when the founders (shareholders) are: state bodies, local self-government bodies, state or municipal enterprises, or legal entities with state or municipal ownership participation.

#### **Practical implications for business**

- Companies previously established as single-participant entities may face increased liability risks if they are part of an ownership chain involving other legal entities.
- Potential investors and creditors will gain a more transparent understanding of the structure of such firms – ownership chains are limited and liability is strengthened.
- New companies planning a “company-within-a-company” structure will need to take into account the limitations on ownership depth and the prohibition on foreign control.
- The role of lawyers and corporate advisors will increase in assessing contractual and corporate schemes for compliance with the new requirements, especially during reorganization or the creation of holding structures.
- At the same time, enhanced transparency strengthens the trust of counterparties and investors, which may have a positive effect on the business environment in Kyrgyzstan.

### **3.DIGITAL TRANSFORMATION OF THE JUDICIAL PROCESS IN KYRGYZSTAN**

Kyrgyzstan has adopted a law that introduces amendments to the Administrative Procedure Code, the Civil Procedure Code, and the Criminal Procedure Code of the Kyrgyz Republic. The new provisions are aimed at digitalizing judicial proceedings and improving citizens’ access to justice through modern technologies.

## **Key changes**

### **1. Introduction of Digital Judicial Proceedings**

- The law establishes a legal framework for conducting judicial proceedings entirely in digital form: claims, complaints, applications, and other documents may be submitted online.
- Electronic documents signed with a digital signature or via the Unified Identification System are recognized as equivalent to paper documents.
- Judges are granted the authority to change the format of proceedings – switching between paper-based and digital forms for administrative, civil, and economic cases.

### **2. Mandatory Audio and Video Recording of Court Hearings**

- In administrative and civil proceedings, audio and video recording of hearings becomes mandatory.
- Participants of the process (plaintiffs, defendants, witnesses, etc.) have the right to access not only the written record but also audio and video recordings, and to submit comments on them.
- Conducting a hearing without recording is permitted only in exceptional cases (e.g., for the protection of participants' rights or due to technical failures), in which case an official statement specifying the reasons must be issued.

### **3. Electronic Interaction Services with the Courts**

- A “guaranteed message delivery service” is introduced, allowing courts to send summonses, notifications, and other procedural documents to participants with confirmation of receipt.
- Court decisions, rulings, and other judicial acts will be available in digital form through an electronic system – and their delivery through this mechanism will be considered proper notification.
- The law enables automatic distribution of cases among courts and judges in digital form (with the exception of cases falling under exclusive jurisdiction).

#### **4.Flexibility of Legislation and Reduction of Procedural Barriers**

- The law reduces excessive regulation of rules related to digital technologies, allowing rapid integration of new digital services into judicial practice as they become technically ready.
- It simplifies the adaptation of courts to new technological capabilities without the need for continuous legislative amendments.

The law enters into force on **1 January 2026**.

### **3. KYRGYZSTAN ADOPTED THE NEW LAW “ON MEDIATION”**

Kyrgyzstan has adopted a new Law “On Mediation” aimed at introducing the institution of mediation into the legal system as a mandatory pre-trial and out-of-court dispute resolution mechanism for certain categories of civil and criminal cases, as well as at fostering a culture of peaceful conflict resolution.

#### **The adopted Law provides for the following:**

*1) Designation of an authorized state body in the field of mediation, entrusted with the following functions:*

- formation and implementation of state policy in the field of mediation;
- development of draft normative legal acts on mediation;
- analysis, monitoring, and summarizing of law enforcement practice in the field of mediation;
- ensuring the functioning and development of the mediation system;
- ensuring public awareness regarding mediation;
- maintenance of the Unified State Register of Mediators.



2) *Introduction of a mandatory mediation information meeting with a mediator prior to filing a claim in court for certain categories of civil and criminal cases. Such meeting is conducted to inform the parties about the possibilities of mediation and to assess the applicability of this method.*

3) *Establishment of the Chamber of Mediators of the Kyrgyz Republic – a unified, self-governing, and self-financing professional association of mediators with mandatory membership.*

4) *Ensuring professional training of mediators:*

- basic training of at least 80 hours at the Training Center under the Chamber of Mediators;
- annual continuing professional development of at least 16 hours.

5) *Introduction of online mediation, conducted fully or partially using digital technologies and services.*

6) *Creation of Mediation Centers – legal entities established by two or more mediators.*

7) *Legal guarantees for the enforcement of mediation agreements:*

- recognition of a mediation agreement as a civil law transaction;
- granting notarized mediation agreements the status of an enforceable document;
- granting mediation agreements providing for the transfer of ownership rights to real estate the status of a title-confirming document.

The Law has entered into force, except for paragraph 6 of Article 27, which enters into force on 1 January 2027.



## GLOBAL PRESENCE



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