KYRGYZ REPUBLIC

LAW

ON COMBATING TERRORISM FINANCING AND LAUNDERING OF INCOMES DERIVED FROM PROCEEDS OF CRIMES

(as of June 2, 2009)

Adopted by Zhogorku Kenesh
of Kyrgyz Republic
June 16, 2006

CHAPTER I. GENERAL PROVISIONS

Article 1. Scope of this Law Application

1. This Law is aimed at protection of rights and lawful interests of the citizens, the society and the state, as well as coherency of financial system of Kyrgyz Republic against criminal offences by means of development of legal mechanism for combating terrorism (extremism) financing and legalization (laundering) of incomes derived from proceeds of crimes.

2. Main aim of this Law is the development of legal basis for prevention, identification and investigation of activities related to terrorism (extremism) financing and legalization (laundering) of incomes derived from proceeds of crimes, and the establishment of a Competent Authority empowered to collect data, perform analysis and convey information in relation to suspicious operations (transactions), as well as operations (transactions) subject to compulsory control pursuant hereto. The specified Competent Authority shall have the right to require from reporting persons undertaking in combating terrorism (extremism) financing and legalization (laundering) of incomes receiver from criminal sources in accordance herewith and with other regulatory acts.

3. This Law defines relations of citizens of Kyrgyz Republic, foreign citizens and residents of Kyrgyz Republic, legal entities engaged in operations (transactions) with financial means and property for the purposes of identification and preclusion to actions related to terrorism (extremism) financing and legalization (laundering) of incomes derived from proceeds of crimes.

4. Should the international agreement, to which Kyrgyz Republic is a part, and which legally came into force contain rules other than those stipulated for herein, such rules of the international agreement shall be applied.


Article 2. Basic Terms and Definitions Used in this Law

The following basic terms and definitions are used in this Law:

- incomes derived from proceeds of crimes – financial means and property acquired (derived) from proceeds of crimes as defined by the Criminal Code of Kyrgyz Republic;

- legalization (laundering) of incomes derived from proceeds of crimes – penal act specified in the Article 183 of the Criminal Code of Kyrgyz Republic;
property – belongings, goods and assets represented by goods or rights with material value (movable and immovable property in the territory of Kyrgyz Republic and beyond, securities, precious stones and metals, antique and other property as specified in the applicable legislation), as well as instruments and other certificates evidencing title for property and interest therein;
suspicious operation (transaction) – operation (transaction) meeting definition of suspicious operations (transactions) pursuant hereto, i.e. operation (transaction) with financial means or property without evident economic or apparent legal purpose and are not incidental to the activity of specific legal or physical person(s) according to the list of characteristics pertinent to the suspicious operations as stipulated for by the Competent Authority;
The Competent Authority – governmental body established or stipulated in accordance with the legislation of Kyrgyz Republic and authorized hereby to perform collection, analysis and storage of data on suspicious operations (transactions) and on operations (transactions) subject of compulsory control, as well as to undertaking on combating terrorism (extremism) financing and legalization (laundering) of incomes derived from proceeds of crimes for the purposes of financial security of the country maintenance;
financing of terrorism – penal socially dangerous act as defined by the Article 226-1 of the Criminal Code of Kyrgyz Republic;
compulsory control – the undertakings of the Competent Authority as specified herein and regulatory acts accepted in relation hereto on control over operations with financial means or property based on data provided by the entities engaged in such operations, as well as on check of such provided data in accordance with legislation of Kyrgyz Republic;
internal control – the undertakings of the reporting entities on identification of operations (transactions) subject to compulsory control and suspicious operations (transactions) with financial means or property related to terrorism (extremism) financing and legalization (laundering) of incomes derived from proceeds of crimes. General provisions of the internal control are stipulated for by the Competent Authority;
shell bank – a bank which was registered in the states and territories where it has no physical presence; or which is not affiliated to any regulated financial group;
FATF – inter-governmental body the purpose of which is the development and promotion of international policies to combat money laundering and terrorist financing;
financial means – money (paper and coins) in currency of any country and e-money;
foreign politically exposed persons – foreign citizens, who are or have been entrusted with prominent public functions in a foreign country (heads of states or governments, senior politicians, senior government, judicial or military officials, senior executives of state-owned corporations, important political party officials or religious figures), including former ones;
beneficial owner (beneficiary) – a person who ultimately owns financial means or property and on whose behalf and/or at whose expense a client conducts an operation (transaction) with financial means or property in accordance with a contract made by and between such person and client, and a person influencing on the client’s performance of operations (transactions) with financial means or property;
identification – definition by the reporting persons based on originals and duly certified copies of documents as provided by physical and legal persons on the following:

in relation to a physical person – family name, first name and middle name (unless otherwise is specified in the law or national habit), citizenship, personality identification data (passport) and document evidencing right of the foreign citizen or resident (for dwelling) in Kyrgyz Republic, dwelling address (registration address) or place of residence, taxpayer identification number (if any) or number of social security certificate, title to dispose with financial means or property, as well as any other data required in accordance with regulatory acts of Kyrgyz Republic;

in relation to a legal person – name, business legal structure, state registration number or registration number of foreign legal person, registration and effective addresses, taxpayer identification number and code of a foreign entity, data on officials and other data related to constitutional documents regulating the client’s activity;

verification – measures on identification and due check of the identification outcomes undertaken by the reporting persons for the purposes of the internal control;

freezing of operation (transaction) with financial means or property – suspension of transfer, reorganization, alienation or movement of financial means or property subject to terms and conditions of resolution issued by the Competent Authority. Financial means or property subject to freezing of operation (transaction) shall be retained in the property of physical or legal persons and may be retained under management of reporting persons;

reporting persons (pursuant to this Law),
- legal and/or physical person engaged in operations (transactions) with financial means or property:
  - banks (including branches and representative offices);
  - financial institutions (including branches and representative offices);
  - credit organizations (institutions) and branches;
  - credit unions;
  - insurance/re-insurance institutions;
  - professional participants of the securities market;
  - mortgage companies;
  - pension funds management companies;
  - leasing companies (financial);
  - persons providing professional services on financial means or valuables transfer, including using special purpose systems providing for money transfer without accounts opening;
  - persons engaged in professional operations on sale-purchase or converting of foreign (exchange offices);
  - pawn shops and buying-up offices;
  - commodity exchanges;
  - non-financial commercial structures:
    - casinos (including internet-casinos), gambling establishments comprising gambling machines, e-roulette, totalizator equipment and betting shops;
  - persons engaged in organization and performance of lotteries;
  - non-state pension funds;
  - organizations and agents (brokers) engaged in operations with real
estate or servicing as intermediates at real estate sale-purchase transactions (realtors); persons engaged in operations (transactions) with precious metals and stones, jewelry (and jewelry scrap), when such persons perform any cash operations (transactions) with client; - other persons engaged in operations (transactions) with financial means and property; persons engaged in services on fiduciary management, including trusts (exclusive of the professional activity on the securities market); companies providing documentary evidences and registering title to movable and immovable property; institutions of main and telegraph communication engaged in financial means transfers.

(As amended by the Law of KR dated June 2, 2009 No.179)

CHAPTER II. COMBATING TERRORISM (EXTREMISM) FINANCING AND LEGALIZATION (LAUNDERING) OF INCOMES DERIVED FROM PROCEEDS OF CRIMES

Article 3. Measures aimed at combating terrorism (extremism) financing and legalization (laundering) of incomes derived from proceeds of crimes

1. Banks and other financial institutions entitled to open and manage bank accounts have no right to open anonymous accounts (deposits), numbered accounts and perform any operations without identification of counterparts and/or clients in accordance with legal acts of Kyrgyz Republic.

Banks and other financial institutions entitled to open and manage bank accounts shall provide a legal and physical person with refusal to open bank account (deposit) or to perform operations in relation to the account, should such person provide no documents needed to meet the requirements applicable to account (deposit) opening, performance of operations thereto and client identification, should the provided documents be clearly misleading, should such person be known according hereto as participating in terrorist activity. In the cases specified in the Clause above the banks and other financial institutions entitled to open and manage bank accounts shall have the right terminate contracts made with the clients (account owners) and depositors.

Reporting persons shall:
- identify the client’s personality (legal and physical person) and record the collected data subject to terms and conditions specified in the legal acts of Kyrgyz Republic;
- verify the client’s personality (legal and physical) subject to terms and conditions specified in the legal acts of Kyrgyz Republic;
- authenticate authority and identity of persons entitled to dispose of financial means or property;
- undertake reasonable and required measures for the purposes of specification and identification of beneficiary owner (beneficiary);
- regularly update data on clients and beneficiary owners (beneficiaries).

2. Banks and other financial institutions entitled to open and manage bank accounts shall have no right to establish direct corresponding relations with banks registered in off-shores, with
affiliated persons thereof, subsidiary banks and standalone subdivisions, which do not constitute independent legal entities; as well as with those registered in countries or territories providing for preferential tax regime and/or stipulating for no compulsory disclosure and/or data provision to the bank controlling authorities.

This limitation shall not be applicable to corresponding relations established with branches registered in off-shore, the headquarters of which are located (registered) beyond off-shore.

Establishment of shell banks is prohibited.

Banks and other financial institutions entitled to open and manage bank accounts shall have no right to establish or continue corresponding relations with shell banks, and shall take precautions against performance of operations (transactions) with foreign financial institutions respondents allowing the shell banks to use their accounts.

2-1. Reporting persons at servicing (performance of operations (transactions) with financial means and property) of foreign politically exposed persons in addition to the measures stipulated above shall:
- undertake reasonable measures on identification of foreign politically exposed persons among those accepted on service or being on service;
- accept on service foreign politically exposed persons subject to compulsory delivery of written permission of head of the reporting persons;
- undertake reasonable measures to identify sources of financial means and property of foreign politically exposed persons;
- on continuous basis, update the available data on foreign politically exposed persons on service;
- pay additional attention to the operations (transactions) with financial means or property executed by foreign politically exposed persons, their spouses, immediate relatives (ascendants and descendants (parents and children, grandparents and grand children), blood and non-blood (mutual father or mother) brothers and sisters, adoptive parents and adopted children) representatives and business partners.

2-2. Banks and other financial institutions and entities entitled to open and manage bank and other accounts while effecting cross-border corresponding relations shall:
- identify and verify the corresponding institutions with which the bank correspondent relations are established;
- collect data on nature of business activity of correspondent institution;
- using general available data, perform assessment of reputation of correspondent institution and identify presence of controlling authority in the area of combating financing of terrorism and legalization (laundering) of incomes derived from proceeds of crimes;
- receive the approval of executive management prior to establishment of correspondent bank relations;
- perform an assessment of control mechanics applied by the correspondent institutions (client of the bank) in relation to combating financing of terrorism and legalization (laundering) of incomes derived from proceeds of crimes.

2-3. The Competent Authority shall develop rules aimed at prevention of use of non-commercial entity, which collects, provides and transfers financial means within charity operations for the purposes of financing of terrorism or legalization (laundering) of incomes derived from
proceeds of crimes.

3. Legal person with status of a company (firm) registered in off-shore territory in accordance with the legislation of the registering state shall have no right to become founder or shareholder of a bank-resident of Kyrgyz Republic.

For the purposes of licensing and control over activity of banks and other financial institutions, the National Bank of Kyrgyz Republic shall specify the list of subjects, states and off-shores and stipulate terms and conditions and limitations on operations (transactions) therewith.

4. Reporting persons shall:
- establish rules of internal control and procedures for combating financing of terrorism and legalization (laundering) of incomes derived from proceeds of crimes, including due procedures of execution control and due procedures to employees selection;
- safeguard during at least five years from the account closing all data and records related to client identification, as well as data on operations (transactions) with financial means or property. Such records shall contain information exhaustive for reconstruction of separate operations (transaction) for the purposes of provision of evidences required for the purposes of consideration and investigation;
- not disclose information on data provision to the Competent Authority. Disclosure to third parties on data provision to the Competent Authority is allowed only in cases specified in the legislation of Kyrgyz Republic. Employees of entities engaged in operations with financial means or property shall have no right to inform clients of such entities or other persons on data provision to the competent Authority;
- notify (with specification of suspicions) the Competent Authority in case of arousal of suspicion or in presence of ground for suspicion that financial means or property are proceeds form crimes or related to terrorism (extremism) financing or will be used for the purposes thereof;
- appoint special officials (at the top management level) to be in charge of compliance and implementation of rules of internal control on combating financing of terrorism and legalization (laundering) of incomes derived from proceeds of crimes;
- subject to terms and conditions stipulated for by the legal acts of Kyrgyz Republic, regularly perform, at least once a year, training and re-training of the staff on the issues of combating financing of terrorism and legalization (laundering) of incomes derived from proceeds of crimes.

5. Reporting persons shall suspend operations (transactions) of physical and legal persons in presence of reliable information on such persons’ participation in terrorist or extremist activities (financing of terrorism or extremism) for three working days from the date, when clients order on the operation (transaction) should have been executed. The reporting person shall notify the Competent Authority on such operation (transaction) not later than the date of such suspension.

Should the Competent Authority deliver no order on freezing of the respective operation (transaction) of the physical and legal persons to be known as participating in terrorist or extremist activity (financing of terrorism or extremism) for additional term within the above specified three days, the reporting persons shall effect the operation (transaction) with financial means or property as specified in the client’s order.

Freezing of operations (transactions) with financial means and
property of physical and legal persons known to as participating in terrorist or extremist activities (financing of terrorism or extremism) for the term more than that specified in the order of the Competent Authority or arrest of financial means and property of the specified persons shall be effected following the order of prosecutor or investigator as confirmed by the prosecutor subject to terms and conditions stipulated for by the legislation of Kyrgyz Republic.

Should within the term specified in the order of the Competent Authority no order of prosecutor or investigator as confirmed by the prosecutor be delivered to freeze operation (transaction) for additional term or to arrest financial means or property, the reporting persons shall effect the operation (transaction) with financial means or property as specified in the client’s order.

Procedure for definition of the list of physical and legal persons in relation to which there are data on participating in terrorist or extremist activity (financing of terrorism or extremism) and bringing of such list to the notice of the reporting persons are stipulated for by the Government of Kyrgyz Republic.

6. Reporting persons and their employees shall be held harmless against loss, lost opportunities or moral damage to physical and legal persons resulting of due execution of provision hereof on obligation to duly disclose data on suspicious operations (transactions), should such disclosure be performed in compliance with the legally stipulated terms and conditions.

Operations suspension, refusal to open a bank account (deposit) or performance of transaction with the account, as well as termination of the bank account contract and account closure pursuant this Article shall not create basis for civil or other liability of the reporting persons.

7. Reporting persons shall pay special attention to business relations and operations (transaction) with institutions or persons from states and territories where FATF recommendations are not implemented or are implemented insufficiently, as well as with subsidiaries, branches and representative offices with head offices registered in such states and territories. List of such states and territories shall be approved by the Competent Authority in coordination with the National Bank of Kyrgyz Republic and supervising authorities.

8. Control over execution by the physical and legal persons of terms and conditions hereof defining recordkeeping and provision of data on operations (transaction) subject to compulsory control, implementation of internal control shall be performed by the relevant supervising authorities in accordance with competence thereof and subject tot term and conditions stipulated for by the legislation of Kyrgyz Republic, and in the absence of supervising authorities in the field of specific institutions engaged in operations (transactions) with financial means or property by the Competent Authority.

(As amended by the Law of KR dated June 2, 2009 No. 179)

Article 4. Requirements (Terms and Conditions) of the Compulsory Control

1. Reporting persons shall:
   - not later than on the working day next to the date of operation (transaction) with financial means or property subject to compulsory control pursuant to criteria listed herein, provide the Competent
Authority with information thereon using the pro-formas established by such authority;
- identify the suspicious operations (transactions) pursuant to criteria listed herein and notify the Competent Authority not later than on the working day next to the date of the operation (transaction) being recognized as suspicious.

The Competent Authority shall define the list of criteria of suspicious operations (transactions) and procedure (pro-forma) of providing information thereon.

Such data shall be documented and be inclusive of:
- type of operation (transaction) and basis for execution;
- date of operation (transaction) and price of transaction;
- data collected as a result of identification of physical or legal person;
- data required for the purposes of identification of physical or legal person for and on whose behalf the operation (transaction) is effected, taxpayer identification number (if any), place of residence or registration of physical or legal person;
- data required for the purposes of identification of representative to physical or legal person engaged in operation (transaction) for and on behalf of the third person as empowered by a power of attorney, a law or a legal act of the competent governmental or local authorities, place of residence of representative to physical or legal person;
- data required for the purposes of identification of beneficiary in the operation (transaction) with financial means or property, including name of beneficiary and beneficiary’s account.

2. Should the employees of the reporting persons have suspicions that any operation (transaction) is effected for the purposes of terrorism (extremism) financing or legalization (laundering) of incomes derived from proceeds of crimes, then such person shall notify the Competent Authority on such operations (transactions) irrespective of the fact whether such operation (transaction) is subject to terms and conditions of Article 6 hereof or not.

3. Reporting persons shall document and deliver to the Competent Authority actual circumstances of complex, unusually large operations (transactions), as well as operations (transactions) effected with unusual scheme lacking evident economic effect or apparent legal aim.

The Competent Authority shall specify list of features pertinent to such operations (transactions).

4. Reporting persons shall deliver to the Competent Authority subject to written request, not later than 10 working days after such request receipt, the additional data and documents related to operations (transactions) subject to compulsory control related to suspicious operations (transactions), including official, business, bank or other secret, as well as documents and data which are delivered pursuant to relevant international agreement to which Kyrgyz Republic is a part.

(As amended by the Law of KR dated June 2, 2009 No. 179)

Chapter III. ARRANGEMENT OF ACTIVITIES ON COMBATING TERRORISM (EXTREMISM) FINANCING AND LEGALIZATION (LAUNDERING) OF INCOMES DERIVED FROM PROCEEDS OF CRIMES

Article 5. The Competent Authority
1. The Competent Authority shall be the governmental authority with functions and powers in the area of combating terrorism (extremism) financing and legalization (laundering) of incomes derived from proceeds of crimes defined herein. Interference of governmental authorities with resolution of issues referred hereby to the powers of the Competent Authority shall not be allowed with exception of the cases stipulated for in this Law and other laws of Kyrgyz Republic.

2. The Competent Authority shall within pertinent authority:
   1) collect, process and analyze data related to operations (transactions) subject to compulsory control;
   2) develop and implement measures on improvement of system for prevention, identification and suppression of suspicious operations (transactions), as well as operations (transactions) related to terrorism (extremism) financing and legalization (laundering) of incomes derived from proceeds of crimes, including provide explanatory for measures on combating terrorism (extremism) financing and legalization (laundering) of incomes derived from proceeds of crimes, in particular on identification of suspicious operations (transactions) and delivery of report thereof;
   3) deliver to the court (judge), prosecutor, investigative agency and inquiry bodies generalized evidences related to terrorism (extremism) financing and legalization (laundering) of incomes derived from proceeds of crimes following official written requests related to initiated proceedings in accordance with legislation of Kyrgyz Republic. The Competent Authority shall have the right to initiate the delivery of the above data to law enforcement agencies and courts;
   4) perform activity on prevention and combating legalization (laundering) of incomes derived from proceeds of crimes;
   5) pursuant to applicable legislation shall have the right to access (use) to data bases (registries), which are formed or maintained by the governmental authorities;
   6) subject to presence of sufficient evidences of relation of operation (transaction) to terrorism (extremism) financing and legalization (laundering) of incomes derived from proceeds of crimes, deliver generalized materials to law enforcement agencies of relevant competence;
   7) issue regulatory acts within the issues of competence as stipulated herein and other normative regulatory acts compulsory for reporting persons;
   8) deliver to reporting persons providing data specified in the Article 4 hereof the written requests both on operations (transactions) subject to compulsory control and on data related to clients and beneficiary owners (beneficiaries);
   9) in relation to any data collected as function to competence, request and receive from governmental authorities and reporting persons any additional data related to combating terrorism (extremism) financing and legalization (laundering) of incomes derived from proceeds of crimes. Governmental authorities and reporting persons shall provide to the Competent Authority the requested data subject to the defined term and conditions and in due form.

3. The Competent Authority shall freeze for the term of up to five working days the execution of operations (transactions) with financial means or property if one of the parties of such operations (transactions) is a physical or legal person known as participating in terrorist or
extremist activity (financing of terrorism or extremism); if the data received in accordance with Clause 5 of Article 3 hereof following results of initial check was considered as reasonable.

Freezing of operations (transactions) with financial means and property of physical and legal persons known as participating in terrorist or extremist activity (financing of terrorism or extremism) shall not be deemed as basis for emergence of civil or any other liability of the Competent Authority.

4. Management and staff of the Competent Authority, the National Bank of Kyrgyz Republic and other governmental authorities including former employees, who pursuant hereof have or had access to data of reporting persons shall bear criminal and other liability for wrongful disclosure, use of business or other secret, abuse of position in accordance with the legislation of Kyrgyz Republic.

(As amended by the Law of KR dated June 2, 2009 No. 179)

Article 6. List of Criteria Qualifying Operations (Transactions) as Subject to Compulsory Control

1. Operation (transaction) with financial means or property shall be subject to compulsory control if the price of transaction equal or more than 1,000,000 soms (equivalent in foreign currency) and the operation (transaction) is referred to one of types of operations (transactions) specified in clause 2 of this Article.

2. The operations (transactions) with financial means property subject to compulsory control comprise:
   1) all domestic and cross-border operations (transactions) performed by banks or other financial institutions entitled to open and manage bank accounts (deposits), except for the operations (transactions) as listed by the Competent Authority in coordination with the National Bank of Kyrgyz Republic;
   2) operations (transactions) if one of the parties is physical or legal person having respectively registration, place of residence or location in the state (the territory) where there are no provisions on disclosure or provision of data at effecting of financial operations, or one of the parties is the owner of account in the bank registered in the state (on above specified territory).

The Competent Authority jointly with the National Bank of Kyrgyz Republic shall define list of such states (territories) on the basis of lists approved by international organizations engaged in combating legalization (laundering) of incomes derived from proceeds of crimes, which list is subject to publishing;

3) other operations (transactions) beyond the level stipulated for by this Law:
   - sale or purchase of cash currency;
   - purchase by the physical persons of securities in cash;
   - exchange of paper notes of one denomination to notes of other denomination;
   - contribution to the authorized capital effected by physical person in cash;
   - movement of financial means of charity, public organizations and institutions, foundations;

4) other transactions with movable and immovable property:
   - placement of securities, precious metals, precious stones and
other valuables to pawn office;
- payment by the physical person of insurance contribution or insurance premium in relation to life insurance or other types of accumulative insurance and pension provision;
- transaction with real estate for the price equal or more than 4,500,000 soms;
- transaction with movable property;
- receipt or provision of property subject to financial rent (leasing);
- disbursement of financial means in the form of gains from lottery, totalizator (pari mutuel) or from other types of risk gambling;
5) financial means transfer(s):
- performed by non-financial credit organizations pursuant to client’s order;
- using systems providing for such transfers without account opening, and their receipt.
3. Compulsory control shall be applicable to transactions or operations with financial means or property, if one of the parties of such operation (transaction) is a physical or legal person known as participating in terrorist or extremist activity (financing of terrorism or extremism), and such participation has come to knowledge pursuant to terms and conditions specified by the laws or international agreements to which Kyrgyz Republic is a part.
4. Suspicious operations (transactions) shall be subject to compulsory control.
(As amended by the Law of KR dated June 2, 2009 No. 179)

Chapter IV. INTERNATIONAL COOPERATION IN THE AREA OF COMBATING TERRORISM (EXTREMISM) FINANCING AND LEGALIZATION (LAUNDERING) OF INCOMES DERIVED FROM PROCEEDS OF CRIMES

Article 7. Information Exchange and Legal Support

1. The Competent Authority shall, pursuant to international agreements to which Kyrgyz Republic is a part, or following rules of reciprocity, cooperate with competent bodies of foreign states and recognized international organizations at the stages of data collection, preliminary inquiry, court trial and judgments enforcement, as well as in other forms of reciprocal legal support at combating terrorism (extremism) financing and legalization (laundering) of incomes derived from proceeds of crimes.

2. The Competent Authority and other Government authorities of Kyrgyz Republic engaged in activity related to combating terrorism (extremism) financing and legalization (laundering) of incomes derived from proceeds of crimes shall, pursuant to terms and conditions specified by the international agreements to which Kyrgyz Republic is a part, or subject to rules of reciprocity, provide competent bodies of foreign states with relevant data following the requests of latter or on their own initiative.

   The Competent Authority shall have the right to deliver to competent bodies of other states requests on provision of data needed for the purposes of combating terrorism (extremism) financing and legalization (laundering) of incomes derived from proceeds of crimes.

3. The data related to identification, alienation and forfeiture of
incomes derived from proceeds of crimes and/or related to terrorism (extremism) financing shall be delivered to the competent bodies of foreign states only if such delivery causes no influence on national safety of Kyrgyz Republic.

4. Data related to identification, alienation and forfeiture of incomes derived from proceeds of crimes and/or related to terrorism (extremism) financing shall be delivered to the competent bodies of foreign states assuming that no data will be used for the purposes other than those specified in the data request, unless preliminary approved by the relevant Government authority of Kyrgyz Republic.

5. The Competent Authority directing request to the competent body of a foreign state shall provide for confidentiality of data provided and data use only for the purposes specified in the request.

Governmental authorities of Kyrgyz Republic engaged in activity related to combating terrorism (extremism) financing and legalization (laundering) of incomes derived from proceeds of crimes shall, pursuant to the international agreements to which Kyrgyz Republic is a part, and to legislation of Kyrgyz Republic, execute within relevant competence the requests of the competent bodies of foreign states on forfeiture of incomes derived from proceeds of crimes, property arrest, property alienation, and inter alia perform expert evaluation, interrogation of suspect, witnesses, affected and other persons, personal search, seizures, transfer material evidences, effect delivery and transfer of document.

6. Costs incurred in relation to these requests shall be reimbursed pursuant to international agreements to which Kyrgyz Republic is a part.

7. For the purposes of combating terrorism (extremism) financing and legalization (laundering) of income derived from proceeds of crimes, the banking or other financial institutions supervising and regulating authority shall have the right to request, receive and deliver relevant information to foreign banking supervisory authority both on request and own initiative.

8. Data request and information (materials) delivery for the purposes of combating terrorism (extremism) financing and legalization (laundering) of income derived from proceeds of crimes shall be provided and effected in the territory of Kyrgyz Republic pursuant to terms and conditions hereto.

(As amended by the Law of KR dated June 2, 2009 No. 179)

Chapter V. FINAL PROVISIONS

Article 8. Liability for the Infringement of this Law

1. Infringement hereof admitted by the reporting persons shall result in administrative liability as stipulated for by the legislation of Kyrgyz Republic.

2. Management and staff of the Competent Authority, the National Bank of Kyrgyz Republic and other governmental authorities, including former employees, which pursuant hereto have or had access to data provided by the reporting persons shall bear criminal liability for wrongful disclosure, use of bank, business or other secret, abuse of position in accordance with the legislation of Kyrgyz Republic.

3. Employees of the reporting persons, including former ones, shall bear liability for the disclosure of information on request answering and
data delivery to the Competent Authority pursuant to the legislation of Kyrgyz Republic.

(As amended by the Law of KR dated June 2, 2009 No. 179)

Article 8-1. Data and Documents Provision to the Competent Authority

1. Governmental and local authorities of Kyrgyz Republic shall provide the Competent Authority with all data and documents required for the purposes of respective functions performance (except for individual’s private information) pursuant to terms and conditions stipulated for by the legislation of Kyrgyz Republic.

2. The National Bank of Kyrgyz Republic and other supervising authorities, reporting persons, boards of free economic zones of Kyrgyz Republic, as well as business associations and unions shall, including pursuant to a request thereof, provide the Competent Authority as established by law with data and documents required for the respective functions execution.

3. Provision of the Competent Authority, including pursuant to a request thereof, with data and documents by the governmental and local authorities, the National Bank of Kyrgyz Republic and other supervising institutions, as well as legal persons irrespective of the business structure for the purposes specified in this Law shall not be deemed as infringement of official, bank, tax, business, statistic and communication secret (referring to data on postal cash transfers).

4. Governmental authorities of Kyrgyz Republic within their competence shall provide the Competent Authority and reporting persons with data contained in the uniform state register of legal entities, consolidated state register of representative offices of foreign legal entities registered in Kyrgyz Republic, as well as data on lost and void passports, passports of the deceased, lost blank passports.

5. Provision by the reporting persons, as well as by business associations and unions, of data on suspicious operations (transactions) with financial means or property and operations (transactions) subject to compulsory control to the Competent Authority pursuant terms and conditions hereof shall not be deemed as disclosure of official, bank, tax, business, communication (referring to data on postal cash transfers) or other secret.

6. Should the lawyer, auditor, tax consultant, notary engaged in entrepreneurial activity of provision legal or accounting services have ground to consider the operations (transactions) with financial means or property specified in Clause 2 Article 6 hereof as effected or as those which might be effected for the purposes of terrorism (extremism) financing and legalization (laundering) of incomes derived from proceeds of crimes, they shall deliver the relevant information to the Competent Authority without notifying the client.

 Provision by the abovementioned persons of data on suspicious operations (transactions) with financial means or property shall not be deemed as disclosure of official or other secret.

The Competent Authority shall specify the terms and conditions of data transfer.

(As amended by the Law of KR dated June 2, 2009 No. 179)

Article 9. Term of Coming into Force
1. This Law shall come into force three months after publication.

2. To the Government of Kyrgyz Republic:
   - prepare and deliver to Zhogorku Kenesh of Kyrgyz Republic a proposal on bringing of legal acts of Kyrgyz Republic in line with this Law;
   - develop legal acts required for the purposes of this Law implementation.

President of
Kyrgyz Republic                                         K. Bakiev

Bishkek, House of Government
July 31, 2006 No. 135