

Legal Status

OJSC State Development Bank of the Kyrgyz Republic

Amendments to the Constitutional Law of the Kyrgyz Republic "On the National Bank of the Kyrgyz Republic" and the Law of the Kyrgyz Republic "On Banks and Banking Activities" have established the special legal status of JSC State Development Bank of the Kyrgyz Republic (hereinafter referred to as the Development Bank) and eliminated legal conflicts with the current special law.

The activities of the Development Bank are regulated by a separate Law of the Kyrgyz Republic "On the State Development Bank of the Kyrgyz Republic" and Resolution No. 533 of the Cabinet of Ministers of the Kyrgyz Republic dated October 9, 2023, which define its goals, functions, management principles, and control mechanisms.

The provisions of banking legislation and the supervision of the National Bank of the Kyrgyz Republic do not apply to the activities of the Development Bank. This is not a relaxation of control, but the establishment of a new governance model consistent with its status as a state development institution, not a commercial bank.

This model is consistent with international practice. Similar development banks, such as KfW (Germany), Korea Development Bank, VEB.RF, and China Development Bank, operate outside the framework of traditional banking regulation but under state supervision.

The Development Bank submits an annual report to the Shareholder (the Cabinet of Ministers of the Kyrgyz Republic) and the relevant committee of the Zhogorku Kenesh of the Kyrgyz Republic. Oversight of the Bank's activities is ensured by the Board of Directors, internal and external audit, and regulation and monitoring by the Ministry of Finance of the Kyrgyz Republic.

The Development Bank implements state investment and credit policies, finances priority national and infrastructure projects, and supports industry, energy, processing, and regional development. The Development Bank's legal status allows it to flexibly utilize long-term and project financing mechanisms, attract international resources, participate in public-private partnerships, and develop small and medium-sized business support programs, including green finance.

The Development Bank remains a transparent institution, applying international financial reporting standards (IFRS) and undergoing an annual external audit.

The adopted amendments consolidate the Development Bank's legal status as a modern national development institution, ensuring sustainable economic and regional development in the Kyrgyz Republic.