

September 2026

TAX BRIEF



OVERVIEW OF KEY LEGISLATIVE CHANGES IN THE KYRGYZ REPUBLIC SEPTEMBER 2026

In September 2026, a number of regulations were adopted in the Kyrgyz Republic affecting VAT application, foreign trade regulation, electronic tracking of certain categories of goods, and corporate compliance. The most significant developments include updates to the lists of VAT-exempt goods, introduction of a traceability system for specific categories of products, and new restrictions on the import and export of certain goods.

1. Updated Lists of Medicines and Medical Devices Exempt from VAT

By Resolution No. 596 of the Cabinet of Ministers of the Kyrgyz Republic dated 2 September 2026, new lists of medicines, medical devices, and raw materials used for their production were approved for VAT exemption purposes pursuant to Articles 268 and 297 of the Tax Code of the Kyrgyz Republic. At the same time, Resolution No. 539 of the Cabinet of Ministers of the Kyrgyz Republic dated 29 August 2025 was repealed.

The key changes concern the criteria for identifying medicines eligible for the VAT exemption. Previously, the exemption applied based on compliance with the relevant EAEU HS code, International Nonproprietary Name (INN), dosage form, and dosage strength. Under the new list, a medicine must simultaneously correspond to the EAEU HS code, the INN, and the Anatomical Therapeutic Chemical (ATC) classification code.

Additional requirements have also been introduced regarding persons entitled to apply the exemption upon importation. For medicines and medical devices, it is now expressly stipulated that imports must be carried out by entities authorized to engage in the relevant activity under applicable sector-specific legislation. With respect to raw materials, an additional requirement has been introduced requiring the importer to hold a license for the manufacture of medicines and/or medical devices, and to use the imported materials exclusively for production purposes.

Accordingly, although licensing requirements already existed under industry regulations, they have now been expressly incorporated into the mechanism for confirming eligibility for the VAT exemption.

2. Amendments to the List of Goods for Renewable Energy Facilities

By Resolution No. 603 of the Cabinet of Ministers of the Kyrgyz Republic dated 8 September 2026, amendments were introduced to the list of specialized goods and equipment used for the construction of renewable energy facilities, the import of which is exempt from VAT.

The list of goods eligible for small hydropower projects has been revised by excluding certain rigid plastic pipes, tubes, and hoses (EAEU HS Code 3917 29 000 9).



3. Introduction of a Traceability System for Certain Categories of Goods

One of the most significant developments in September was the approval of the Procedure for the Application of the Goods Traceability System (Resolution No. 613 of the Cabinet of Ministers of the Kyrgyz Republic dated 14 September 2026).

The system applies to goods included in the list approved by the Eurasian Economic Commission. At the current stage, traceability requirements apply to certain categories of household refrigerators and freezers, washing machines, and television equipment.

The system operates through the Electronic Invoice 2.0 (EI 2.0) platform, which records movements of the relevant goods throughout their lifecycle. Taxpayers are required to register in the system using a qualified electronic signature and maintain records of such goods through a dedicated electronic warehouse. The system tracks imports from EAEU member states and third countries, production, assembly and disassembly processes, transfers between warehouses, write-offs, inventory adjustments, toll manufacturing operations, and other cases resulting in the transfer of ownership.

When selling traceable goods, the supplier must issue an EI 2.0, and the purchaser must either approve or reject it within 10 calendar days. If no action is taken by the purchaser, the invoice is deemed accepted automatically.

A particularly important rule provides that the sale or other disposal of traceable goods is permitted only where corresponding stock balances are available within the electronic warehouse maintained in the EI 2.0 system. Companies should therefore ensure the accuracy of inventory records and the alignment of internal accounting procedures with system requirements.

At the same time, EI 2.0 serves solely as an accounting and control instrument and does not, in itself, create, modify, or terminate tax obligations.

4. Temporary Ban Introduced on the Import of Certain Construction Materials

By Resolution No. 614 of the Cabinet of Ministers of the Kyrgyz Republic dated 14 September 2026, a temporary six-month ban was introduced on the importation of certain construction materials from third countries.

The restrictions apply to selected categories of:

- construction blocks and bricks made of cement, concrete, or artificial stone;
- ceramic tiles and similar products;
- flat glass;
- certain categories of cables and wires.

The measure is aimed at supporting domestic manufacturers and promoting the development of the local construction materials industry. The ban does not apply to goods originating from EAEU member states, goods transported in transit through the territory of the Kyrgyz Republic, or products intended for certain strategic and investment projects.



5. Expansion of the List of Goods Subject to the Temporary Export Ban

By Resolution No. 615 of the Cabinet of Ministers of the Kyrgyz Republic dated 14 September 2026, amendments were introduced to the list of goods subject to a temporary export ban from the Kyrgyz Republic by road and rail transport.

Previously, the restrictions mainly covered crude oil and petroleum products classified under EAEU HS Codes 2709 and 2710. The updated list has been expanded to include:

- petroleum gases and other gaseous hydrocarbons (HS Code 2711);
- acyclic hydrocarbons (HS Code 2901).

At the same time, the list of exceptions has been broadened. In particular, exemptions have been established for certain lubricating oils, hydraulic fluids, and other lubricants classified under specific EAEU HS Codes, provided that such products are not intended for use as motor fuel.

6. Approval of a Model Code of Business Ethics and Recommendations on Managing Corruption Risks

By Resolution No. 626 of the Cabinet of Ministers of the Kyrgyz Republic dated 18 September 2026, a Model Code of Business Ethics and Recommendations on the Assessment and Mitigation of Corruption Risks for the business community of the Kyrgyz Republic were approved. Both documents are advisory in nature and do not establish legally binding requirements for businesses. Nevertheless, they reflect the government's approach to strengthening corporate governance and compliance practices.

The Model Code of Business Ethics addresses matters including:

- corporate values and standards of conduct;
- prevention and management of conflicts of interest;
- rules governing the giving and receiving of gifts;
- anti-corruption measures;
- whistleblowing and reporting procedures;
- the possible appointment of a compliance officer and establishment of an ethics committee.

Particular emphasis is placed on corruption risk assessment. Businesses are encouraged to conduct regular reviews of internal processes, identify areas with increased risk exposure, implement internal control procedures, establish counterparty due diligence mechanisms, and introduce measures aimed at preventing conflicts of interest.

