



ISSUE

DIALOGUE FOR DEVELOPMENT

MAIN TOPICS:

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- Review of investment environment and investment attraction
- Establishment of national investment environment rating system
- Improvement of the sectoral legislation

CONSIDERATION OF INVESTMENT ENVIRONMENT AND INVESTMENT ATTRACTION

The Head of the Secretariat of the Consultative Council on improvement of investment climate under the President of the Republic of Tajikistan met with the Director of the American Chamber of Commerce in Tajikistan (AmCham) and a number of investors which are members of the AmCham.



The parties discussed the issues of modern ways of attracting investment, challenges and

obstacles in this field, localization of production and services and the investors' interest for reinvestment in economy sectors during the meeting.

At the meetings, in particular, the head of the representative office of Deloitte & Touché in Tajikistan highlighted the importance of strengthening efforts on enforcement of corporate governance, international standards of accounting and reporting standards, the fulfillment of tax obligations in accordance with the Tax Code of the Republic of Tajikistan and other important aspects of attracting investment.

Also, the General Manager of the Tajikistan Coca-Cola Bottlers submitted suggestions for localizing access to the raw material needed for production. Specifically, it was noted that providing local raw materials for production and establishing cooperation with local companies is essential.

In this regard, it was decided to hold a joint summit of domestic entrepreneurs and the Coca-Cola company in the near future, and to establish mutually beneficial cooperation between domestic and foreign entrepreneurs and



investors. In addition, the meeting participants discussed different approaches to stimulating and attracting international brands to the market in Tajikistan.

The Head of IC Secretariat talked about the attraction of investments for the green energy development with the Director of the US General Electric representative office in Tajikistan.

In addition, Managers of the Hilton and Hyatt Regency hotels submitted their suggestions on improvement of the investment climate and tourism industry development.

ESTABLISHMENT OF NATIONAL INVESTMENT RAITING SYSTEM – CRUCIAL FACTOR FOR INVESTMENT ATTRACTION

The National Investment Environment Rating System Environment is expected to be established as per the instructions of the Founder of Peace and National Unity, Leader of the Nation, President of the Republic of Tajikistan, His Excellency Emomali Rahmon during one of the Consultative Council's Sessions.

The national investment environment rating system, along with international assessments of the business and investment climate will cover several indicators at the first stages, including:

1. Growth in the number of the entrepreneurs
 - 1.1. Women entrepreneurs
 - 1.2. The number of registered entrepreneurs per 1000 population
2. Job creation
 - 2.1. Permanent jobs
 - 2.2. Seasonal jobs
 - 2.3. Temporary jobs
3. Number of newly established enterprises
4. Termination of entrepreneurial activity
5. Availability of local business development and support programs
6. Bank loans
7. Availability of consulting and training centers for entrepreneurs.

The period of the national investment environment rating system will be conducted annually from January 1 to December 31. The results of the rating, taking into account the results of all statistical indicators will be announced in April-May annually.

The National Investment Rating System as a rating system for the economic development of the area will aim to increase the local authorities' responsibility, indicate the results of their activities, disseminate best management practices at the regional level, assess and identify key obstacles of the entrepreneurship and investment development, and identify priority areas for implementation of further reforms. The coverage of all cities and districts of the republic makes it possible to reflect the full state of the business environment at the local level.

At the same time, along with the organization and conduction of the rating, measures will be implemented to encourage the regions to improve the business environment.

IMPROVEMENT OF SECTORAL LEGISLATION

According to the protocol decisions of the 20th Session of the Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan and to implement the relevant points of the Action Plan on improvement of the country position in Doing Business report, the draft amendments and additions to the Laws of the Republic of Tajikistan "On Joint Stock Companies" and "On Limited Liability Companies" in cooperation with relevant ministries and agencies, experts and law firms has been conducted.

It should be noted that the Law of the Republic of Tajikistan "On Joint Stock Companies" has been amended 7 times and adopted in 2007 and the Law of the Republic of Tajikistan "On Limited Liability Companies" has been amended 3 times and adopted in 2002.

The analysis of the practice of implementing these laws shows that some of the criteria need to be amended and supplemented.

The amendments and additions cover issues of increasing the level of awareness of all agreements of joint-stock companies, increasing the legal liabilities of directors and the right of stakeholders of joint-stock companies, the improvement of corporate governance and transparency of corporate companies.

The analysis shows that the legal framework for investment activities in the country today requires improvement in terms of ensuring a high level of management transparency, restricting the rights of shareholders, their role in

making important corporate governance decisions, and the lack of ownership and control in joint-stock companies.

Simultaneously, according to the experience of the country's banking system, it is necessary to reform the legislation in the direction of introducing best corporate governance practices aimed to ensure transparency of the activities of joint-stock companies, strengthen the rights and interests of shareholders and increase the responsibility of the managers of joint-stock companies.

Implementation of amendments and additions to the legislation can further strengthen the country's position in the World Bank Doing Business Report.

**Secretariat of the Consultative
Council on Improvement of Investment
Climate under the President of the Republic of Tajikistan**