



Perception and Misperception of Foreign Private Security Companies (PSCs) in Kyrgyzstan.

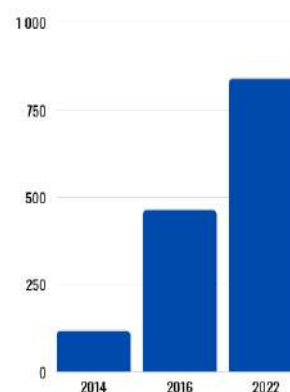
The Case of Chinese PSCs.

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Private security industry and legal loopholes

- The Law of the Kyrgyz Republic Dated July 1, 1996 No. 35 'On Private Detective Activities and Security Activities in the Kyrgyz Republic' (the PDSA Law).
- In 2014 the PDSA Law was amended and the obligatory licensing canceled. The removal of mandatory licensing of PSCs by MIA formed regulatory loophole in concern registration procedures.
- The removal of mandatory licensing made number of private security agencies skyrocketing from 115 in 2014, 462 in 2016, up to 838 in 2022.



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Lack of Licensing & Registration Procedures

- The PDSA Law indicates that provision of security services is permitted only to enterprises specially established for such purpose.
- However, according to practitioners from the private security industry these regulations are not enforced and legal entities providing security services follow procedures as any other companies, and are only required to register with the Ministry of Justice with self-indication of main activity code.
- Furthermore, the company can easily switch its activity by changing company's charter with no need to inform the Ministry.
- Following, there are no additional regulations limiting foreign ownership in enterprises providing security services - as of February 2022 there were 29 PSC with foreign ownership originated from such countries as China, Russia, India, Kazakhstan or Singapore.

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"In fact, today you are selling sunflower seeds in the bazaar, then you decided to engage in security activities, you just wrote it in the company charter, put a seal, and this is enough for the Ministry of Internal Affairs to issue a permit for weapons"(2021)

Grigoriy Zozulya, the Head of Security Agency "Bastion"

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Lack of Licensing & Weapon Access

- Representatives of the industry also alarm that the cancellation of the obligatory licensing formed a potential loophole for weapon access.
- There is concern that security agencies could be seen as a potential cover for authorized acquisition of weapon by organized criminal groups and terrorists.
- The firearm licenses are issued by MIA in accordance to the the Law of the Kyrgyz Republic “On Weapons”.

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***“Any terrorist can set up a security agency and obtain a weapons permit”(2016),
Akzhol Isaev, the Chairman of the Union of Non-State Security and Protection Services of Kyrgyzstan” and Security Agency “Dordoi Security”***

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Lack of Licensing & Training Quality

- The removal of mandatory licensing is further complicated by the alleged limited supervision of trainings required for PSCs personnel guards according to the PDSA Law.
- The licensing for provision of training courses although related to sensitive security issues is overseen by the Ministry of Education and Science of the Kyrgyz Republic, and not by MIA. Thus, there is potential gap allowing to acquire training certificates from unprincipled providers.

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““The quality of training depends on provider, and there is a problem of simply selling certificates by unscrupulous ones”(2022)

Akzhol Isaev, the Chairman of the Union of Non-State Security and Protection Services of Kyrgyzstan” and Security Agency “Dordoi Security”

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The Assessment of PSC Militarization Threat (1)

- PSCs personnel do not have special status or legal immunity, and face legal consequences as civilians.
- They are allowed to use special means and firearms only according to regulations, and only in self-defense. Furthermore, according to the law PSCs are only allowed to acquire “service weapon” that “could be used for self-defense purposes or to fulfill their legal obligations to protect...”. The capabilities of “service weapon” are purposely limited to differ from “combat weapon”.
- It must be stressed that the Kyrgyz law does not permit to acquire “combat weapon” including automatic or sniper rifles for PSCs.
- The main tool of PSC shall be seen monitoring, prevention and “force posture”.

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“ Chinese PSC cannot simply receive permits for combat weapon such as sniper rifles. It is not allowed by the law. It could be only done by the interstate agreement. ”

Unanimous representative of PSC sector”

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The Assessment of PSC Militarization Threat (2)

- The Security Service of the Ministry of Internal Affairs (SS MIA) (Служба Охраны МВД) could be contracted to provide armed protection for private businesses on commercial basis according to the Regulation the Security Service of the Ministry of Internal Affairs of the Kyrgyz Republic.
- In comparison to PSCs, SS MIA personnel have the status of law enforcement officers adding deterrent value as any attack on them could trigger broad legal consequences.
- Furthermore, it shall be noted that the Law of the Kyrgyz Republic "On Railway Transport" regulates that the security on the railway routes is provided by units of railway militarized security service (VOKhR) - organized paramilitary units with special legal status granted by the state and are armed with combat firearms.
- It could be assumed VOKhR would play active role in securing the China-Kyrgyzstan-Uzbekistan railway project.

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**"In October 2020 there was no guards from MIA
Departmental Security employed on Jerooy Gold Mine.
Just simple guards. That is why nothing could stop
locals from destruction. Now, there is visible tendency
to employ MIA DA (2022)."**

Unanimous representative of MIA's system "

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Chinese PSCs in Kyrgyzstan - Motivation

- As the main motivation for Chinese expansion into Kyrgyz private security sector shall be identified the need for direct protection investments including both small and medium-sized businesses (SMBs), as well as large enterprises projects including state-promoted BRI projects.
- The direct ownership of local PSCs by entities and individuals could be seen as the way to adapt their services to respond to these challenges - provide Chinese business with assurance credibility and trust. On the contrary the deployment of Chinese owned PSCs to protect problematic projects could be double-edged sword where the deployment could further accelerate conflicts.
- Chinese expansion into Kyrgyz private security sector could be seen as the investment on its own that is oriented to take part of the local market and serving the market niche presented by Chinese clients.

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The research allowed to identify 8 local PSC with Chinese ownership operating in Kyrgyzstan:

1. Hai Wei Security Service Provision LLC (ОсОО "Хай Вей предоставление услуг по безопасности")
2. Hung Tung Security Service Provision LLC (ОсОО "Хунг Ту предоставление услуг по безопасности")
3. Security Associated LLC (ОсОО "Security Associated" (Секьюрити ассошиэтед))
4. Security and Detective Agency "Ishenim Security" LLC (ОсОО "Охранно-детективное агентство "Ишеним Секьюрити")
5. Bishkek Smart Vision LLC (ОсОО "Бишкек Смарт Вижн")
6. Taatan-Security LLC (ОсОО :Таатан-Секьюрити")
7. Security and Detective Agency "Group Grad" (ОсОО "Охранно-детективное агентство "ГРУППА ГРАД")
8. Security Agency "Chian Feng" LLC (ОсОО "Охранное агентство "Чиан Фэн").

The field verification allows to state that only 5 of them are actively working at the moment.

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Classification (1) - Two types of local PSC established with Chinese ownership based on the character of founding Chinese entities:

1. PSCs established with the participation of professional Chinese PSC

Example: Hai Wei Security Service Provision LLC and/or Hung Tung Security Service Provision LLC) affiliated to Zhongjun Junhong Group (中军军弘集团); Security Associated LLC affiliated to China Security & Protection Industrial Group Company Ltd. (CSP) (中安保实业集团有限公司)

2. Local PSCs established by Huaqiao (华侨) (the people of Chinese citizenship residing outside of the PRC).

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Classification (2) - Two types could be identified based on service provision (in line with overall Kyrgyz private sector industry characteristic):

1. **Perimeter and area limited PSC** (Established by business owners to protect individual business area for example shopping mall).

Example: Taatan-Security LLC established to provide security for the Trade Center "Taatan" (TC "Taatan") that shall be seen as one of main trading centers for Chinese vendors in Kyrgyzstan. It is important to mention that perimeter and area limited PSC frequently act as "bumper" towards law enforcement (migration) agencies.]

2. **Sectoral PSC** (Established to provide wide range of security services (physical protection, monitoring) for different businesses. Service provision is not limited to Chinese owned companies.

Example: Security Associated LLC providing security services for international organization or such companies as Coca-Cola or Google, or currently inactive Hai Wei Security Service Provision LLC that used to provide service for both Chinese companies as China National Gold Group Corporation (China Gold) (中国黄金集团有限公司) or China Road and Bridge Corporation (CRBC) (中国路桥工程有限责任公司), as well as locally owned businesses incl. hotels or restaurants.

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Concerns (1):

- Open source intelligence (OSINT) allows to identify personal and institutional connections between Chinese PSC operating in Kyrgyzstan and Chinese state security sector.
- Among other the Zhongjun Junhong Group is openly referring to the 582nd Regiment of the PLA as its recruiting base and the source of core values. [“中军军弘保安服务有限公司 [Zhongjun Junhong Security Service Company Ltd.]” 中军军弘保安服务有限公司, Zhongjun Junhong Security Service Company Ltd., <https://www.zjjhgroup.com/>.] On the other hand CSP was established in 1994 as China Security Industry Co., Ltd. by the Ministry of Public Security.
- The professional transfer of cadres from state to private security shall be seen as common practice observed in many countries. However, it can also be interpreted as potential proxy control of local PSCs by foreign state.

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Concerns (2):

- It's also worth mentioning that Chinese-owned PSCs in Kyrgyzstan have direct cooperation with Russian entities sanctioned due to the Russo-Ukrainian War or selling the communication equipment recognized in U.S. as posing an unacceptable risk to national security.
- For example Security Associated LLC is affiliated to the Kyrgyz branch of 2GIS - the search company that develops digital maps and guides of cities that is owned by Russian Sberbank.

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Chinese PSCs Operational History in KG

- In mapping the operating history of Chinese PSC in Kyrgyzstan it shall be underlined that there is no evidence of their deployment in emergency situation. For example, they were not used during August 2019 riot in Solton-Sary gold deposit developed by Zhong ji Mining LLC (affiliated to China Gold).
- There is no record of firearms import or use by Chinese PSC in Kyrgyzstan.
- It shall be pointed that Chinese authorities do not display preference to Chinese owned PSCs over security consideration. As the example can serve the protection of the Chinese Embassy in Bishkek which is provided by Security and Detective agency "Dordoi-Security" LLC.

斯斯坦法律法规，尊重所在国政府的领导和监管，诚信守法经营，带动和促进吉尔吉斯斯坦国家安保行业的发展。



邬晓辉说：“尽管中国民营安保业在海外发展还是处于试水阶段，但对我们来说，这一领域已经涉足足了5个国

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The example of misperception



Source: ZhongJun JunHong Group. "《丝路新观察报》中俄文双语刊载集团海卫队吉国安保公司在吉国'落地生根'为中资企业保驾护航 [Silk Road New Observer, the Bilingually Publication in Chinese and Russian Wrote That the Kyrgyzstan's Hai Wei Security Company of the the ZhongJun JunHong Group 'Take Root' in Kyrgyzstan to Protect Chinese-Funded Enterprises]." 海卫队, ZhongJun JunHong Group, 21 Sept. 2016, <http://www.osgj.com/news/sudi/48.html>.

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RECOMMENDATIONS

Based on the current state of private security industry, identified legal loopholes and the activity of Chinese PSCs following recommendation could be issued for the state authorities in the Kyrgyz Republic:

- Enforcement of monitoring over PSC with potential return of licensing process with respect to interests & consultations with relevant stakeholders as PSCs and private security industry associations;
- Close & structured cooperation with private security industry associations as standard setting organizations to form synergy between private and state security sector.
- Close monitoring and regulation of foreign capital including Chinese in private security industry to reflect rising operational capabilities of PSCs.
- Improved firearms licensing procedure by the Ministry of Internal Affairs to reflect loopholes in PSCs licensing and potential training gaps.
- Codification of law and regulations in respect to PSCs operation to improve their accountability (for example, introduction of the list of approved firearms for PSCs).
- Improved control over training and certificates issuance for PSCs personnel. The licensing for provision of training courses for PSCs personnel shall be transferred from the Ministry of Education and Science of the Kyrgyz Republic to the Ministry of Internal Affairs in line with ministerial competencies.

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Furthermore, civil society and academic research centers shall focus to further investigate following issues:

- the current state of firearms regulations access to non-state actors incl. PSCs,
- the special purpose equipment access and use regulations for PSC (incl. surveillance, monitoring, communication equipment, UAV),
- the investigation of regulation in concern to Geographic Information System Mapping in Kyrgyzstan due its is dual-purpose character and extensive use in battlefield surveillance for example target identification what is recently demonstrated in the Russo-Ukrainian war,
- the investigation of foreign PSCs activities in Kyrgyzstan and Central Asia, particularly their involvement in border areas and trans-border projects as potential trigger for interstate conflict.

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Thank YOU!

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