



State Support Measures



**MOSCOW
REGION
DEVELOPMENT
CORPORATION**

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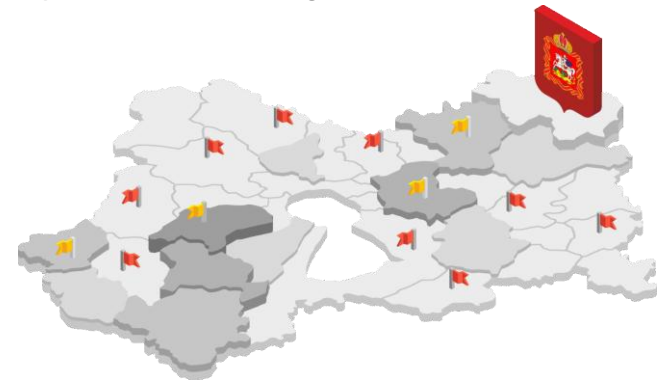


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1. Regional Support Measures



- 1.1 **Act of Moscow region №151/2004-O3 dated 24.11.2004** «About preferential taxation in Moscow region»
- 1.2 **State programme of Moscow region** «Entrepreneurship in Moscow region»
- 1.3 **Act of Moscow region № 27/2015-O3** «About setting up criteria for buildings of cultural and social and public significance, large scale investment project eligible for rent without bidding of land lots owned by Moscow region, municipalities as well as the land lots with undefined state ownership»
- 1.4 **Decree of the Government of Moscow region № 272/13 dated 22 April 2015** «About approval of the procedure of consideration of documents confirming the conformity of building of cultural and social and public significance, large scale investment project to the criteria stipulated in the Law of Moscow region, and entering an agreement between the Government of Moscow and a legal entity planning to construct such a building (investment project) on a land lot provided for rent without bidding as per the decree of the Governor of Moscow region»
- 1.5 **Programme of the Government of Moscow region** «Gas infrastructure development in Moscow region until 2025»



1.1 Regional measures of support: tax incentives



Tax incentives for investors according to the article 26.15 of Act of Moscow region №151/2004-O3 «About preferential taxation in Moscow region» dated 24.11.2004

Tax incentives are provided to both residents and facility management companies of industrial parks upon entering an agreement with the Government of Moscow region

	Strategic investment projects	Priority investment projects	Important investment projects
Enterprises not regarded as small ones			
Capital investment amount	<ul style="list-style-type: none"> • from 500 million roubles • from 3 000 million roubles 	<ul style="list-style-type: none"> • from 50 million roubles • from 1 000 million roubles 	<ul style="list-style-type: none"> • from 200 million roubles
Capital investment terms	<ul style="list-style-type: none"> • no longer than 5 years after signing investment agreement 	<ul style="list-style-type: none"> • no longer than 3 years after signing investment agreement 	<ul style="list-style-type: none"> • no longer than 3 years after signing investment agreement
Small enterprises			
Capital investment amount		<ul style="list-style-type: none"> • from 50 million roubles • from 100 million roubles 	<ul style="list-style-type: none"> • from 50 million roubles
Capital investment terms		<ul style="list-style-type: none"> • no longer than 3 years after signing investment agreement 	<ul style="list-style-type: none"> • no longer than 3 years after signing investment agreement
Remarks	* Depending on the type of operations stipulated in Act of Moscow region №151/2004-O3 «About preferential tax treatment in Moscow region» dated 24.11.2004		

1.1 Regional measures of support: tax incentives

Tax concessions according to the article 26.15 of Act of Moscow region №151/2004-O3 «About concessional taxation in Moscow region» dated 24.11.2004

Tax concessions are provided to both residents and facility management companies of industrial parks who enter an agreement with the Government of Moscow region



	Strategic investment projects	Priority investment projects	Important investment projects
Income tax – reduced by 4,5%	7 years	5 years	3 years
Application of income tax concession	Income tax concession applies on the first date of the tax period in which investor makes profit		
Property tax – reduction to	0% - 1 st year 0,5% - from 2 nd to 5 th year 1,5% - from 6 th to 8 th year	0% - 1 st year 0,5% - from 2 nd to 3 rd year 1,5% - from 4 th to 5 th year	0% - 1 st year 1,1% - from 2 nd to 3 rd year
Property tax concession	The concession applies to newly constructed and/or purchased property as well as fixed assets in case they were extended, refitted, reconstructed, modernized or technically upgraded. Property tax concession applies from the month following the month of registration of created or purchased property		

1.1 Regional measures of support: tax incentives



Tax concessions for investors according to the article 26.18 of Act of Moscow region №151/2004-O3 «About concessional taxation in Moscow region» dated 24.11.2004

Tax concessions are provided to both residents and facility management companies of industrial parks who enter an agreement with the Government of Moscow region

Conditions	<p>Concessions apply to investors – legal entities who made capital investments into newly built and put into operations fixed assets with value of at least 50 mln roubles</p> <p>Types of newly built and put into operations fixed assets – buildings (OKOF11 0000000) and constructions (OKOF 12 0000000) excluding assets of whole sale and retail</p>
Income tax – reduced by 4,5%	<p>The concession is applicable from the year following the year when fixed asset is registered for accounting purposes but no later than 3 following years</p> <p>The term of application of the tax concession ends in the year when the difference between the tax amount without the concession and the tax amount with concession calculated as progressive total for the period of tax concession application equals to the value of fixed assets but not exceeding 4 consecutive years</p>
Property tax – exemption from property tax concerning fixed asset	<p>The concession applies from the month following the month when fixed asset is registered for accounting purposes during 4 consecutive years</p>

1.2 Regional measures of support

State programme of Moscow region « Entrepreneurship of Moscow region»

Sub-programme «Development of small and medium enterprises in Moscow region»

The support to SME is provided through subsidies for certain expenditures by tender



Expenditures	Compensation amount
Expenditures for the first installment for the equipment leasing according to leasing agreement	Up to 10 mln. roubles Not more than 50% of factual expenditure
Expenditures for purchase of equipment for setting up production or production upgrade	Up to 10 mln. roubles Not more than 50% of factual expenditure
Expenditures for loan interest	Up to 3 mln. roubles
Expenditures for social entrepreneurs	Up too 1,5 mln. roubles
Expenditures in the area of crafts, tradings and eco tourism	Up to 1 mln. roubles
Expenditures for creation and development of pre-schooling educational centers	Up to 10 mln. roubles
Expenditures for technological connection to electricity and gas supply infrastructure	Up to 1 mln. Roubles Not more than 50% of factual expenditure

1.3 Preferential treatment in land lot provision

Act of Moscow region № 27/2015-O3 dated 18.03.2015

Provision of land lot owned by Moscow region, municipality as well as land lots without defined state ownership for rent with no tendering process



Conditions	<ul style="list-style-type: none">➤ Registration in Moscow region➤ Conformity to priorities and purposes of strategy of social and economic development of Moscow region and state programmes of Moscow region➤ Increase in number of jobs➤ Increase in yearly tax revenue
Key documents	<ul style="list-style-type: none">➤ Feasibility study➤ Financial model➤ Constituent documents➤ Document confirming the possibility of project financing

1.4 Provision of land lots: the process

Act of Moscow region № 27/2015-O3 dated 18.03.2015

Decree of Moscow region dated 22 April 2015 № 272/13

Provision of land lots for implementation of large-scale investment projects for rent with no tendering process in accordance with the Decree of the Governor of Moscow region



- 1 Submission of document set (articles 7.1-7.10 of the Decree №272/13 dated 22.04.2015) into the Administration of the Governor of Moscow region
- 2 Preliminary consideration and approval of project in central executive body
- 3 Project is considered at the panel meeting of interagency committee of Urban Council
- 4 Project is considered at the Urban Council of Moscow region
- 5 Project is considered at the meeting of the Government of Moscow region
- 6 Project is forwarded for endorsement by the Governor of Moscow region

1.5 Gasification for industrial parks (investment projects)



Programme of the Government of Moscow region «Development of gas supply infrastructure of Moscow region until 2025»

Creation of conditions for development of gas supply for land lots for investment projects at the territory of Moscow region for the period until 2025» - installment of gas pipeline to the border of industrial park

Conditions	<ul style="list-style-type: none">➤ Project conformity to the decree of Moscow region № 757/24 «About the process of endorsement, adjustment and termination of agreements about implementation of investment projects at the territory of Moscow region» dated 03.09.2015 and signed agreement with the Government of Moscow region
Key documents	<ul style="list-style-type: none">➤ Project feasibility study➤ Project financial model➤ Document confirming the possibility of project financing➤ Constituent documents➤ Accounting reporting documents➤ Investment declaration

2. Federal measures of support

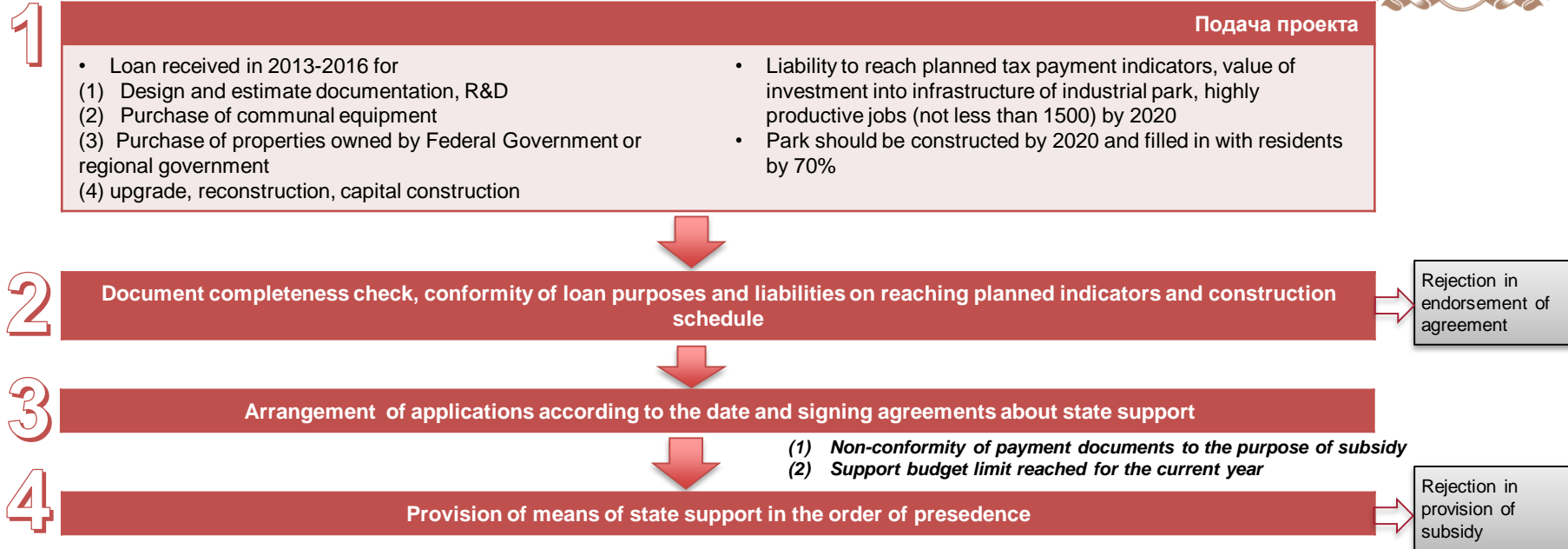


- 2.1 **Decree of the Government of Russian Federation № 831 dated 11.05.2015** «About approval of the rules of provision of subsidies from the federal budget to Russian enterprises – facility management companies of industrial parks...»
- 2.2 **Decree of the Government of Russian Federation № 1119 dated 30.10.2014** «...about state support through subsidies for reimbursement of expenditures for construction of infrastructure of industrial parks and technological parks»
- 2.3 **Decree of the Government of Russian Federation № 3 dated 03.01.2014** «About approval of the rules of provision of subsidies from the Federal budget to Russian enterprises for partial compensation of expenditures on payment of interest on the loans received in Russian credit organisations in 2014-2016 for implementation of new complex investment projects of priority civil industries stipulated in sub-programme "Provision of implementation of state programme" of state programme of Russian Federation "Industrial development and competitiveness improvement»
- 2.4 **Decree of the Government of Russian Federation №214 dated 12.03.2015 (edt. 12.12.2015)** «About approval of the rules of provision of subsidies from the federal budget to industrial enterprises for partial compensation of expenditures occurred in 2015 for payment of interest on loans received in Russian credit organisations and state corporation "Bank for Development and External Economic Operations (VneshEconomBank)" and in international financial organisations founded in accordance with international treaties where Russian Federation is a part for increase of working capital and/or for financing current production operations»
- 2.5 **Decree of the Government of Russian Federation №1044 dated 11.10.2014** «About approval of the Programme of support of investment projects implemented in Russian Federation on the basis of project financing»
- 2.6 **Decree of the Government of Russian Federation №1312 dated 30.12.2013** «About approval of the rules of provision of subsidies from the federal budget to industrial enterprises for partial compensation of expenditures for R&D and research and design works...»

2.1 Financial support to industrial parks

Subsidies for interest on loans received for construction of infrastructure of industrial parks - Decree of the Government of Russian Federation №831 dated 11.08.2015

Total value of credit portfolio with support from the Ministry of Industry and Trade is 7,7 bln roubles



2.2 Financial support to industrial parks



Compensation of expenditures of constituent units of Russian Federation for construction of infrastructure of industrial parks according to the Decree of RF №1119 dated 30.10.2014

Supported projects

- Construction of industrial parks owned by constituent units of RF
- PPP projects (industrial park infrastructure including land lot is registered as private property, external infrastructure including transport, utilities (power substation, distribution transformation substation, etc.), communal infrastructure is financed from the budget of constituent unit of RF and remains on its balance sheet)

Sources: federal budget revenue from operations of residents of industrial parks

- Income tax
- 50% - VAT
- Motor car and motorcycle duties
- Import customs duties

(1) Constituent units of RF

Application for state support

(2) Ministry of Industry and Trade of RF

- Documents completeness check
- Evaluation of industry risks

(3) Ministry of Finance of RF

(3.1) Evaluation of
- Financial and economic indicators
- Industry risks

(3.2) Possibility of construction of infrastructure of industrial parks with financing from other state programmes

(4) Ministry of Industry and Trade of RF

(4.1) Submission of draft decree about inclusion of a project into the list of projects into the Government of RF

(4.2) Signing agreements about implementation of investment project and provision of subsidies

Process of receipt of state support in accordance with Decree №1119 dated 30.10.2014


2.3 Partial compensation of credit interest for new investment projects




Decree of the Government of RF №3 dated 03.01.2014

Provision of subsidies for partial compensation of credit interest for new investment projects in civil industries

Terms	<ul style="list-style-type: none"> ➤ Project value of 150 mln - 5 bln roubles ➤ Loan for at least 3 years ➤ 0,7 of key interest rate ➤ Subsidy to a given enterprise does not exceed 75 mln roubles during 36 months ➤ Subsidies are provided in the 2nd and 4th quarters yearly
Requirements to applicants	<ul style="list-style-type: none"> ➤ Investment project is included in the list of comprehensive investment projects in priority industries ➤ Credit in 2014-2016 ➤ Credit for not over 80% of total project value ➤ Creation of highly productive jobs

 Subsidies for credits in the Russian currency - **0,7** of key interest rate of Central Bank of RF if interest rate is more or equal to key interest rate of Central Bank of RF; if interest rate is less - 0,7 of expenditures for payment of loan credit

 Subsidies for credits in foreign currency are provided in roubles - **0,9** of expenditures for payment of loan credit

2.4 Partial compensation of credit interest for working capital financing

Decree of the Government of RF №214 dated 12.03.2015

Subsidies for repayment of credit interest rate for working capital financing and/or current operations financing



Terms	<ul style="list-style-type: none">➤ Subsidy – 70% of amount of occurred expenditures for repayment of credit interest➤ Subsidy not more than 70% of key interest rate of Central Bank of RF and not over 75 mln roubles during 3 months
Requirement to applicants	<ul style="list-style-type: none">➤ Enterprise is included in the list of strategic enterprises➤ Or enterprise is included in the list of enterprises considerably affecting industry and trade (list is formed by the Ministry of Industry and Trade of RF)

2.5 Project financing support



Decree of the Government of Russian Federation №1044 dated 11 October 2014

Lending on preferential terms (with yearly interest rate not exceeding 11,5 %) through authorised banks

Criteria	<ul style="list-style-type: none"> ➤ Legal entity registered in RF ➤ Absence of overdue tax and other overdue payments ➤ Absence of bankruptcy case in processing
Requirements	<ul style="list-style-type: none"> ➤ Project cost not less than 1 bln and not more than 20 bln roubles ➤ Financing of not more than 80% of full project cost ➤ Investment project financing plan ➤ Interest rate not exceeding 11,5% per year ➤ Location of land lot in RF ➤ Project in the priority of sector of economy



РоссельхозБанк



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Промсвязьбанк



Альфа-Банк



БАНК
РАЗВИТИЯ



ВТБ



открытие | БАНК



Банк Москвы

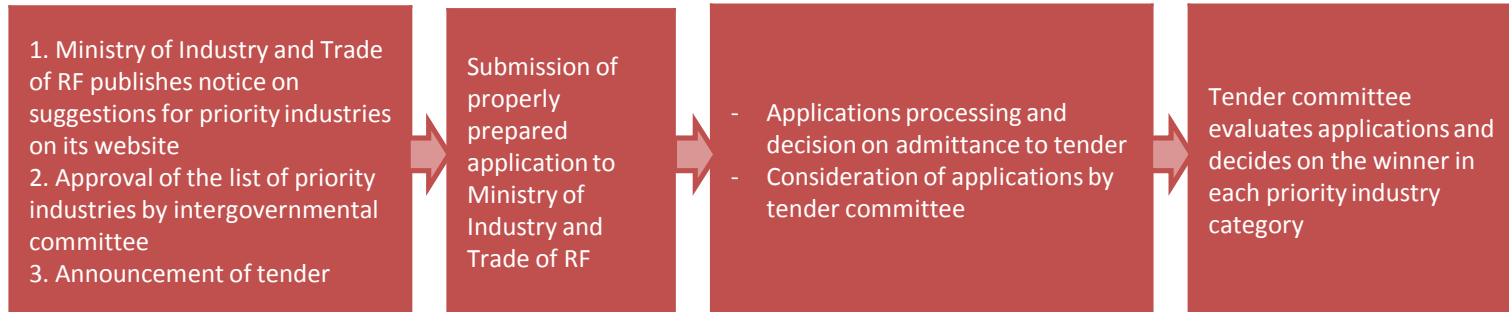
2.6 Partial subsidies for R&D and design and development works



Decree of the Government of RF №1312 dated 30 December 2013

Partial compensation for R&D and design and development works

Conditions	<ul style="list-style-type: none"> ➤ R&D and technological works ➤ Project value from 150 mln to 2 bln roubles ➤ Borrowed funds – not more than 70% of total value
Requirements to the applicant	<ul style="list-style-type: none"> ➤ R&D begins not earlier than the year of receipt of subsidy (including the year of entering agreement on receipt of subsidy) ➤ Fulfillment of tasks aimed at reaching the goals of the state programme



3. Specific Industry Support Programmes



HEAVY ENGINEERING, METTALURGY AND INDUSTRIAL EQUIPMENT MANUFACTURING	SHIPBUILDING	CONSUMER GOODS AND GOODS FOR CHILDREN
<ul style="list-style-type: none"> ➤ RF Decree №42 dated 21.01.2014 ➤ RF Decree №1257 dated 27.11.2014 ➤ RF Decree №1128 dated 30.10.2014 	<ul style="list-style-type: none"> ➤ RF Decree №383 dated 22.05.2008 ➤ RF Decree №295 dated 02.04.2009 	<ul style="list-style-type: none"> ➤ RF Decree №1212 dated 15.11.2014 ➤ RF Decree №1179 dated 08.11.2014 ➤ RF Decree №1162 dated 04.11.2014 ➤ RF Decree №993 dated 29.12.2007 ➤ Decree №64 dated 17.02.2009 ➤ RF Decree №687 dated 12.08.2013
AVIATION	TRANSPORT MACHINE BUILDING AND AUTOMOBILE MANUFACTURING	CHEMICALS AND FORESTRY
<ul style="list-style-type: none"> ➤ RF Decree №91 dated 16.02.2008 ➤ RF Decree №1073 dated 22.10.2012 	<ul style="list-style-type: none"> ➤ RF Decree №31 dated 15.01.2014 ➤ RF Decree №640 dated 01.08.2011 ➤ RF Decree №32 dated 15.01.2014 ➤ RF Decree №30 dated 15.01.2014 ➤ RF Decree №1223 dated 20.11.2014 	<ul style="list-style-type: none"> ➤ RF Decree №972 dated 30.10.2013 ➤ RF Decree №91 dated 10.02.2014 ➤ RF Decree №97 dated 11.02.2014 ➤ RF Decree №5 dated 03.01.2014

*RF Decree – Decree of the Government of Russian Federation

4. Industry Development Fund

The Fund offers concessional terms of project co-financing aimed at development of new highly technological products, technical re-equipment and creation of competitive productions based on best available technologies



LOAN

- Project aimed at development of new products, technical upgrade and setting up production
- Yearly rate: 5%
- Amount: 50 – 300 mln roubles
- Term: up to 5 years

LEASING

- Minimal project budget: 20 mln roubles
- Yearly interest rate 5%
- Amount from 5 to 250 mln roubles
- Term: up to 5 years or no longer than the leasing agreement term

4.1 Industry Development Fund - Loan

The fund offers concessional terms of project co-financing aimed at development of new highly technological products, technical re-equipment and creation of competitive productions based on best available technologies



Intended use of loan

Development of new product or technology

- Design and experimental, design and technological works
- Product certification and testing
- Development of technological process descriptions and road maps

Feasibility studies

Engineering services

- Assembly and adaptation of technological equipment
- Development of project documentation for capital construction objects and assembly of equipment

Acquisition of intellectual property rights

Equipment acquisition

- Equipment for design and development works and technology testing
- Technological equipment (<80% of loan amount)

Loan can be used for

- R&D
- Manufacturing military products
- Acquisition of properties
- Construction of buildings and erection of constructions

4.2 Industry Development Fund - Leasing



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Concessional financing (up to 50%) of the first lease payment



5. Export Support

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РОССИЙСКИЙ
ЭКСПОРТНЫЙ
ЦЕНТР



Russian Export Center *Single window for exporters*

- Information on export support measures for exporters
- Consulting for preparation and implementation of export projects
- Intermediary for interaction with government
- Training for exporters

ROSEKSIMBANK *Export Financing*

- Pre-export financing**
 - Export contract expenditures
 - Current expenditures for export delivery
- Post-export financing**
 - Exporter's commercial credit
 - Trade turnover with foreign customers
- Export financing**
 - Direct credit to foreign customer
 - Through confirmed credit
 - Credit to foreign customer's bank

ESKAR *Complete insurance*

- Comprehensive export credit insurance
- Supplier credit insurance or credit or consumer
- Investment insurance
- Confirmed credit insurance, guarantees insurance
- Export factoring insurance and insurance of credit for working capital financing