



● Legislation

LEGAL REGULATIONS

- Federal Law №116 dated 22.07.2005 «REGARDING SPECIAL ECONOMIC ZONES IN THE RUSSIAN FEDERATION
- The Resolution of the Government of Moscow dated 11.02.2016 N 38-ПП « REGARDING MEASURES FOR IMPLEMENTATION OF INDUSTRIAL AND INVESTMENT POLICY » (Application 7)

● Requirements

REQUIREMENTS FOR A POTENTIAL RESIDENT OF SEZ «TECHNOPOLIS MOSCOW»**FORMAL**

- To be registered in Moscow
- No subsidiaries or representative offices as well as no separate subdivisions outside the SEZ

ECONOMIC

- When carrying out industrial and production activities, the minimum amount of investment, including capital investments, should be no less than 120 million rubles (without VAT)
- At least 2/3 of total investments, including capital investments, to be carried out by the SEZ resident in the first 3 years of project implementation
- Discounted payback period less than 15 years
- Funding sources need to be identified and documented.
- The issue of providing raw materials, equipment, sales channels of the produced products (services) must be elaborated

Investments for 1 Ha for 5 years (without VAT)

Total investment related to the acquisition, establishment, modernization, reconstruction and preparation for use of the claimant's non-current assets in the EPZ, planned to be implemented within a maximum of 5 calendar years from the date of signing the agreement (supplementary agreement), per hectare of land for which a lease is planned

408 892 943
rub./Ha

Average salary for a calendar year (including PIT)

Planned average monthly wages of employees according to the data of the Office of the Federal State Statistics Service for Moscow and the Moscow Region, accrued for the previous year according to the collective classification grouping Russian Economic Activities Classification System 2 "Industry".

149 804
rub.

Revenue for 1 Ha for a year (excluding VAT)

The amount of revenue from the applicant's activities planned for implementation in the EPZ territory, accounting for one hectare of land in respect of which a lease contract is planned, for the second calendar year from the planned date of commissioning of the construction projects under construction

511 453 549
rub./Ha

INDUSTRY

- Activities related to the production and processing of excisable goods (except for the manufacture of cars, motorcycles, production and processing of ethane, liquefied hydrocarbon gases and liquid steel) are prohibited



Obligations of SEZ Resident

TENANT’S OBLIGATIONS AFTER BECOMING SEZ RESIDENT

- 1 Carrying on business on the SEZ territory in accordance with the industrial- production or technical implementation Agreement
- Technical implementation activity means innovative activity, creation, production and sale of science technical goods, creation and implementation of software for PCs, databases, topologies of integral microchips, information systems; implementation and adjusting services for these goods, programs, software, databases, topologies and system; as well as providing SEZ residents with innovative infrastructure services necessary for carrying on their activity.
- Industrial- production activity means production and/ or recycling of goods (production) and their sale.
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Development and/or production of a fundamentally different innovative product requires conclusion of an additional agreement and adjustment of the investment project passport

The agreement allows other activities as long as they are documented separately and their income does not exceed 10% of the total income.
- 2 Economic performance in terms of volume and time frame of the Agreement
- 3 Implementation of construction and commissioning of production within the deadlines set by the Agreement
- 4 Submit quarterly reports on the project to the SEZ Managing Company
- 5 Sharing information on how activities are being carried out, as well as documents requested in both planned and exceptional audits
- The control procedures for due execution of the Agreement by the SEZ Resident are processed in accordance with the Order of the Ministry of Economic Development of the Russian Federation № 530 dated 23.08.2016. The first check procedure is scheduled no earlier than 24 months from the date of signing the Agreement. Further checks are processed in accordance with a further appointed check schedule.

Preferences

TAX PREFERENCES

Corporate Profit tax		Federal budget		Regional budget	
Starting from 2018 during next 10 years Corporate Profit Tax to be paid to the Regional Budget is 0%		2%		0% up to 31.12.2027	
		7% from 2028		5% from 1.01.2028 to 31.12.2032	
		14,5% from 2033		12,5% from 1.01.2033	
Property Tax		Transport Tax			
During 10 years starting from the next month when the property is registered		0%		Tax exemption is provided for 10 years starting from the month when a transport vehicle is registered	
				0%	
Land lease		2%		their cadastral value per year + TIA reduction factor: 1st year 0.4, 2nd year 0.5, 3rd year 0.6, 4th year 0.7, then 100 IPA: for 5 years 0.5 with capital investments of at least 360 million rubles	
Land tax		0%		10 years from the date of creation of ownership of each land parcel and 1.5% of the cadastral value after the grace period	
Land purchase		1%		from the cadastral value, the sale price of land to owners of real estate created on them	
Free Customs Zone		<ul style="list-style-type: none">• application is possible after the establishment of a Customs Control Zone at the site of the resident, equipped in accordance with the requirements of the Federal Customs Service of Russia• import of equipment, raw materials/components, engineering equipment without payment of customs duties and VAT at the time of import, deployment and use, within the boundaries of the resident's Customs Control Zone			

Prohibited

SEZ RESIDENT IS STRICTLY PROHIBITED TO DO:

- sublet leased space;
- sell items/products that are not produced by the company;
- provide services, including consulting and education;

Violation of the above obligations and prohibitions may lead to termination of the agreement and loss of SEZ resident status



● Process

STEPS OF GETTING SEZ RESIDENT STATUS



Choosing the land location for the project



Applying for SEZ Resident Status

Signing land lease after getting SEZ resident status

The list of documents to be provided for signing the Agreement (the Federal Law 116)



- an Application for signing the Agreement is to include the following information:
 - type of activity the Tenant is going to carry on the SEZ territory;
 - state and/ or municipal property that is required for planned activity;
 - the amount of land required for the applicant's alleged activities;
 - power connection requirements, along with the planned type and volume of connection load (including cold and hot water, network gas, and heat), are used to provide heating, gas, and water supply services, as well as other resources required for activities;
 - planned volume of investments and capital investments for the period of the SEZ resident`s activity besides volume of capital investment within three years starting from the date of signing the Agreement.
- Copies of constituent documents (for legal entities)
- Investment project passport and financial model of investment project
- Copy of the document confirming the fact of entry into the unified state register of legal entities or the unified state register of individual entrepreneurs*
- A copy of the Certificate of State Registration of a legal entity and a copy of the Certificate of Tax Registration with the Tax Authority
- Proof of compliance for paying taxes, fees, insurance premiums, penalties, fines, and interest in accordance with the Russian Federation's tax and duties legislation

* in case not provided by the Applicant this type of document is requested from relative state authorities within interdepartmental policy

● Procedure

PROCEDURE FOR OBTAINING SEZ RESIDENT STATUS

- Creating an application and submission of a set of required documents to DIPP consideration of the application up to 15 business days
- Signing 3-way Agreement between the Tenant, DIPP and SEZ MC up to 10 business days
- Receiving a certificate of SEZ Resident from the Ministry of Economic Development of Russia ~ 5 business days

AVERAGE PERIOD FROM APPLICATION TO OBTAINING SEZ RESIDENT STATUS TAKES UP TO 30 BUSINESS DAYS