

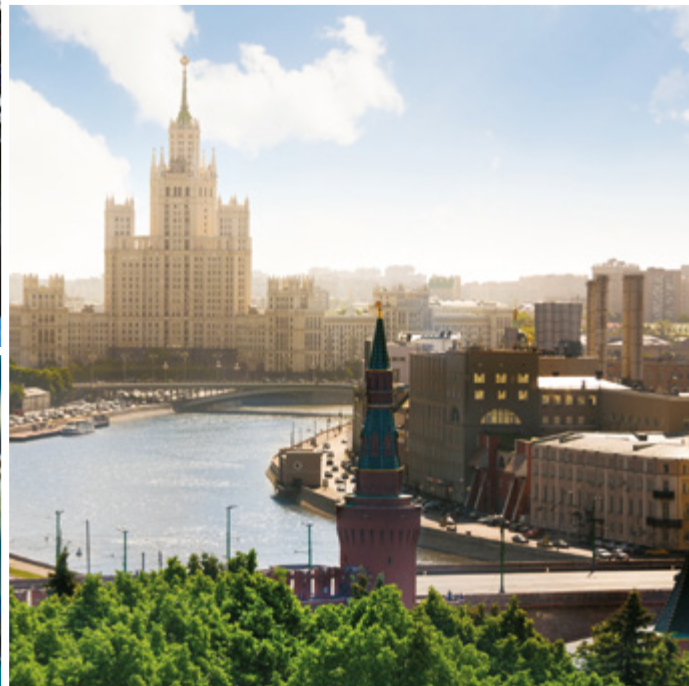


Moscow City
Government

2016



New investment project support measures



investmoscow.info



Contents

1.	Moscow's appeal for new investments	3-4
2.	Purposes for supporting new investment projects	5
3.	What support measures are provided	6
4.	How to obtain benefits	7-9
5.	What requirements are to be met by the applicant to gain the status of a priority investment project (PIP)	10-11
6.	Procedure for granting PIP status for opening industrial production, creating an industrial complex, industrial park, technopark.....	12
7.	How to lodge an application and where to apply.....	13

1. Moscow's appeal for new investments

Moscow provides attractive tax, administrative, staff and infrastructure conditions for investments in the industrial and innovative sectors, while also paying special attention to further developing the public-private partnership (PPP) mechanism and concession agreements.

The biggest sales market



€ 148.7^{bn}
consumer spending



17%
of Russia's retail turnover



€ 8.1^{bn}
value of municipal orders
in 2015



€ 17^{bn}
value of the Targeted Investment
Programme (TIP) in 2015–2018

High staff and scientific potential



11 m people
the number of the Moscow agglomeration economically
active population



50% the percentage of the employed people with a higher education



30% of Russia's academic staff

Convenient conditions for doing business



One of the leaders in the rating of Russia's investment climate



Leader of national ratings:

- development of PPP
- transparency of state procurement

30-50%

reduction in business costs
(in currency equivalent compared with 2014)

Extended investment infrastructure



- **over 20** prepared land plots for launching production (over 60 ha in size)
- **over 8,000 ha** of industrial areas



26 technoparks and technopolises

1,262,000 ^{sq m}
of premises

593 ^{ha}
of land plots



The number of technoparks in the city is rising, as are the opportunities for locating new projects on special sites with an extended infrastructure of business support.

Zelenograd special economic zone

160 ^{ha} +
overall area of land plots



Free customs zone

In October 2015, Moscow passed laws on industrial policy and investment policy regulating support for new investment projects within the city.

2. Purposes for supporting new investment projects

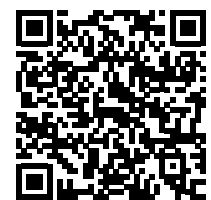
1. Stimulating launch of new investment projects in creating industrial production units.
2. Creating favourable conditions for manufacturing products with high value added and export potential in Moscow.
3. Developing the city's innovative and industrial infrastructure through increasing the number of technoparks and industrial parks.

Support from the Moscow Government is being carried out by granting the status of an investment priority project of the Moscow City (hereinafter, IPP).

PIP status can be granted to the following investment projects:

- for creation, modernisation and (or) mastering of the manufacture of industrial products*;
- for creation of an industrial complex;
- for creation of an industrial park;
- for creation of a technopark;
- projects carried out on concession agreements and PPP agreements.

PIP status allows investors to receive regional tax relief and benefits related to lease of land plots. The tax burden reduction can be up to **25%**.



* Hereinafter, PIP for the launch of industrial production units..

3. What support measures are provided

Profit tax to the Moscow treasury

Reduction by **25%**

Reduced rate of **13,5%**

Current rate: 18%

Property tax

Reduction by **100%**

Released from tax on real estate

Current rates:

1,3% of cadastral value (for trade and office facilities) in 2016

2,2% of the book value (for other facilities)

Land tax

Reduction by **99,3%**

0.7% of the calculated tax is due to be paid

Current rate:
up to 1.5% of cadastral value

Ground rent

Reduction by **99,3%**

Reduced rate of **0.01%** of cadastral value

Current rate:
up to 1.5% of cadastral value

The status is granted for a period of up to **10 years** and is subject to mandatory annual confirmation.

4. Terms for gaining the benefit



Launch
of industrial
production

INVESTOR'S
obligations:



To launch manufacture of industrial products on the leased premises.



To invest **at least € 10.4 m** within a period of three years.



To reach target economic indicators within five years (for more detail, see page 11).



To sign a special investment contract with the Moscow City Government.



To create
an industrial
complex

INVESTOR'S
obligations:



To create the investor's own industrial complex for manufacturing industrial products.



To invest **at least € 13.8 m** over a period of five years (but not less than € 6,91 m/ha).



To reach target economic indicators within seven years (for more detail, see page 11).



To sign a special investment contract with the Moscow City Government.



To create an industrial park

INVESTOR'S obligations:



To create an industrial park to accommodate industrial companies.



To invest **at least € 44 m** within a period of five years (but not less than € 5,5 m/ha).



To reach target economic indicators within seven years (for more detail, see page 11).



To sign a special investment contract with the Moscow City Government.



To create a technopark

INVESTOR'S obligations:



To create a technopark to accommodate companies in the spheres of research, IT, communications and industrial production.



To invest **at least € 13.8 m** within a period of five years (but not less than € 6,9 m/ha).



To reach target economic indicators within seven years (for more detail, see page 11).



To sign a special investment contract with the Moscow City Government.



Participation
in a concession
/ PPP

An **INVESTOR**, that has signed a concession agreement or a PPP agreement meeting the relevant requirements since 1 January 2016



The subject of the agreement is activity in the spheres of priority for the city*.



The value of investment is **at least € 27,7 m.**

* the subjects of agreements in the priority spheres are facilities of the transport infrastructure, healthcare, culture, sports, etc.



5. What requirements are to be met by an applicant to gain PIP status

General requirements

1. Registration as a taxpayer in Moscow.
2. No tax arrears.
3. No liquidation or bankruptcy proceedings.
4. No arrears related to lease of land plots owned by the City of Moscow.
5. Confirmation of financial solvency to implement the project.

Additionally:

6. Regarding a PIP for creating an industrial park:

Entering information about the newly created industrial part in the register of industrial parks of the Ministry of Industry and Trade of the Russian Federation.

7. Regarding a PIP for creating an industrial park and technopark:

- preliminary agreements with potential residents



Economic requirements

To obtain PIP status and receive related benefits, an investor undertakes obligations to reach the following target economic indicators:

Indicator	PIP for developing industrial production	PIP for creating an industrial complex	PIP for creating an industrial park	PIP for creating a technopark
Type of economic activity	Manufacturing		Production and science	Science and production
Payroll budget of at least	€345.6/m ² *	€1.4m/ha		€2.8m/ha
Proceeds of at least	€1037/m ² *	€4.2m/ha	€6.2m/ha	€8.3m/ha
Average monthly salary of at least	€705**		€777**	€843.3**
Investment	At least €10m – over 3 years	At least €13.8m (but no less than €6.9m per 1 ha) – over 5 years	At least €44m (but no less than €5.5m per 1 ha) – over 5 years	At least €13.8m (but no less than €6.9m per 1 ha) – over 5 years

- Compliance with economic indicators should be assessed taking into account the indicators of both owners and tenants pursuing core activities.
- The economic requirement figures are set for 2016 and are subject to annual indexation.

* The indicators are calculated for 1 m² of occupied area

** the indicator is tied to the monthly average income from labour activities in Moscow (published officially)

6. Procedure for granting the status



* The status takes effect when the SPIC is signed

7. How to lodge an application and where to apply

- Register with the Moscow Investment Portal www.investmoscow.info
- Upon registering in the Personal Account the applicant completes an application form and attaches documents to it.



Submission of documents in hard copy

- Apply to the Moscow City Investment Agency for a consultation.
- Complete an application form and send it, together with the relevant documents, to the Department of Science, Industrial Policy and Entrepreneurship of Moscow.

Your aides:



Industrial Policy Division of the Moscow Department of Science,
Industrial Policy and Entrepreneurship

www.dnpp.mos.ru
22 Voznesensky 125009 Moscow

Svetlana Shmeleva
+7(495) 620-20-00 / 11373
e-mail: ShmelevaSA@mos.ru



MOSCOW CITY
INVESTMENT AGENCY

State-funded entity "Moscow City Investment Agency"

www.investmoscow.info
11 Bld. 1 Novy Arbat 119019 Moscow

Marina Emelina
Phone: +7 (495) 691-09-43
e-mail: EmelinaMV@gai.mos.ru



investmoscow.info

2016