



SUPPORT MEASURES FOR ACTIVE INDUSTRIAL AND INNOVATIVE ENTERPRISES IN MOSCOW



Contents

1	Moscow industry: basic figures	4
2	Objectives of active enterprises support	5
3	Support measures description	6
4	Prerequisites for support	7
5	Requirements for the applicant	8-10
6	Special conditions for socially important industries	11
7	Documents required for status application	12-13
8	Application procedure	14
9	Status assignment procedure	15
10	Regulatory framework	16
11	Contacts	17
12	Attachments	18-22
	• Submission of documents	
	• Calculation of economic values	

1. Moscow industry: basic figures

The stimulation of the city industrial and innovative development, including the creation of investment infrastructure facilities to localize modern industries and research organizations, belongs to the key areas of Moscow's investment policy.

Over the past 5 years, over 700 manufacturing enterprises have been created in Moscow, with a wide range of tools accumulated to encourage and support investors. Investments in the manufacturing industry in 2018 amounted to **70.7 bn RUB**.



At the end of 2015, some laws on industrial and investment policies were adopted to introduce a new model for supporting active industrial and innovative enterprises in Moscow.

2. Objectives of active enterprises support

- Stimulation of efficient organizations to create high-paying jobs and a space-saving layout.
- Development of research and production activities in the specialized city areas (industrial zones).
- Stimulation of localization and import substitution processes.
- Creation of new areas for developing modern industries, and high technology projects.

The Moscow Government support is carried out through assigning special statuses to existing property complexes in Moscow, which are used as the business basis for manufacturing, research and development, technical testing, information, communication, etc.:

- "industrial complex"*;
- "technopark";
- "industrial park".

Such statuses allow to receive income, land and property tax benefits, as well as lower land leasing rates.

A tax burden reduction ranges from **17% to 25%**.

* hereinafter referred to as «industrial complex», or «ind. complex» in short



3. Support measures description

INDUSTRIAL COMPLEX BENEFITS

Income tax paid to the Moscow budget

Reduced by **26%***

Preferential rate 12.5%

Current rate 17%

Land tax

Reduced by **80%**

20% of the calculated tax amount to be paid

Current rates:
up to 1.5% of the cadastral value

Property Tax

Reduced by **50%**

50% of the calculated tax amount to be paid**

Current rates:
1.6% of the cadastral value
(for retail and office facilities) in 2019,
2.2% of book value
(for other facilities)

Land Rent

Снижение на **80%**

Льготная ставка:
0,3% от кадастровой стоимости

Current rates:
up to 1.5% of the cadastral value

BENEFITS FOR TECHNOPARKS / INDUSTRIAL PARKS

Income tax paid to the Moscow budget

Reduced by **26%***

Preferential rate: **12.5%**

Current rate: 17%

Land tax

Reduced by **99,3%**

0.7% of the calculated tax amount to be paid

Current rates:
up to 1.5% of the cadastral value

Property Tax

Reduced by **100%**

Exemption from tax**

Current rates:
1.6% of the cadastral value
(for retail and office facilities) in 2019
2.2% of book value
(for other facilities)

Land Rent

Reduced by **99,3%**

Preferential rate:
up to **0.01%** of the cadastral value

Current rates:
up to 1.5% of the cadastral value

The statuses of industrial complex, technopark, and industrial park are assigned **for 10 years** and shall be obligatorily confirmed every year.

* in terms of the profits received from the Moscow investment priority projects for organizations subject to investment activities; for the technopark/ industrial park management company

** in terms of real estate

4. Prerequisites for support

▶ INDUSTRIAL COMPLEX STATUS



Support measures are provided for the owners and the holders of the economic management or operation management rights for capital structures that carry out manufacturing activities, research and development.

▶ TECHNOPARK STATUS*



Support measures are provided for the owners and the holders of the economic management or operation management rights for capital structures, as well as for the parts thereof used for scientific research and development, information and communication, and/or manufacturing, technical testing, research, analysis and certification.

▶ INDUSTRIAL PARK STATUS*



Support measures are provided for the owners and the holders of the economic management or operation management rights for capital structures that carry out manufacturing activities. It is allowed to carry out activities in the field of science, IT, communications, technical testing, research, analysis and certification within the process cycle.

Attention!

- The status application may include one or more land plots and should include all capital construction projects located there. At the same time, the status cannot be assigned to a facility under construction, a facility that may include unauthorized buildings, a land plot with no capital structures.
- The applicant should have the ownership or other rights for the land plots.
- In case of the application for assigning the Technopark status to a part of the CS (room), they should be in the same building.

* When the technopark/industrial park status is granted, the status of the technopark / industrial park management company shall be assigned automatically. There is a separate procedure for obtaining the anchor resident status (for more details, see Decree of the Moscow Government No. 38-PP dated 11.02.2016 "On Industrial and Investment Policy Measures in Moscow").

5. Requirements for the applicant

FORMAL REQUIREMENTS

- Registration as a taxpayer in Moscow.
- No arrears in rent payments for the land owned by the city; no arrears in taxes and fees.
- No liquidation / bankruptcy procedure underway.

PROPERTY REQUIREMENTS

- Capital structures (CS) and land plots applying for status are subject to cadastral registration.
- Immovable property rights shall be registered.
- For ind. complexes: production activities and (or) provision of scientific activities
- For industrial parks, the permitted land plot application is: - production.

Additionally, the following land plot applications are permitted: the public use of capital structures, entrepreneurship, public services, the provision of scientific activities, business management, shops, public catering, motor transport services.

	For industrial complexes	For technoparks		For industrial parks
		If CS are declared	If are premises declared	
Building density	at least 4,000 m ² /ha*	at least 8,000 m ² /ha*	-	at least 4,000 m ² /ha*
Total area of capital construction facilities	-	at least 10,000 m ²	at least 5,000 m ²	at least 32,000 m ² at least 50% for manufacture
The share of retail and office premises, catering and household services	no more than 20%	no more than 20%	no more than 20%	no more than 20%
Availability of infrastructure facilities for collective use	-	Declared capital structures shall include more than two shared infrastructure facilities **		

* for land plots located in the Troitsky and Novomoskovsky administrative districts of Moscow, the building density is reduced 2 times.

** A center for collective use, a certification center, a business service center, a business incubator, a coworking center, a youth innovation creativity center, a prototyping center, clean rooms, an engineering center, a children's technology park, a congress hall, an exhibition hall, children's playroom (further - shared infrastructure facilities), as well as a gym and a parking lot. For an industrial park, a children's technopark and a children's playroom are not included in the mandatory list of shared infrastructure facilities.

ECONOMIC REQUIREMENTS

	For industrial complexes	For technoparks		For industrial parks
		If CS are declared	If premises are declared	
Payroll budget (PB) per year	at least 115.6 m RUB per hectare	at least 231.2 m RUB per hectare	at least 69,300 RUB by sq. meter	at least 115.6 m RUB per hectare
Investments for 5 years	at least 105 m RUB per hectare	at least 52.6 m RUB per hectare	at least 21,000 RUB by sq. meter	at least 157.6 m RUB per hectare
Revenue per year	at least 346.9 m RUB per hectare	at least 693.7 m RUB per hectare	at least 231,200 RUB per sq. meter	at least 520.3 m RUB per hectare
Average monthly salary	Average monthly labor income in Moscow for the last year (62,186 RUB in 2017), average staff number is at least 100 people* (including leaseholders)	Monthly average labor income in Moscow last year - +20% (74,623 RUB in 2017)	Monthly average labor income in Moscow last year - +10% (68,405 RUB in 2017)	

* deviations of up to 10% are allowed for the ind. complex status.

The required economic values are subject to annual indexation:

- An organization is deemed to meet the economic requirements, if its business corresponds to the "PB per 1 ha" indicator and at least two of the three other indicators.
- Both the applicant's and profile leaseholders' indicators are taken into account.
- FOR INDUSTRIAL COMPLEXES:** the status of an industrial complex may be assigned to the organizations that, in addition to production activities, are engaged in the field of natural and technical sciences, provided that:
 - the revenues from the manufacturing production is not less than 25% of the total revenues;
 - the revenues from research in the field of natural and technical sciences is at least 80% of the revenues from all research and development activities.

- The required economic values are subject to annual indexation:
 - the value “investments per 1 ha for 5 years” is calculated as 2/3 of the indicator value for the previous year plus 1/3 of the indicator value for the previous year, indexed by the consumer price index for nonfood goods according to the Federal State Statistics Service (December against the previous December);
 - the values “Revenue per 1 ha per year”, “PB per 1 ha per year” is adjusted by the consumer price index for nonfood goods according to the Federal State Statistics Service (December against the previous December).
- For individual industries, when the industrial complex / industrial park status is granted, industry-specific reduction factors (see p. 11) are applied to economic requirements.

6. Special conditions for socially important industries

The list of the industries, for which the economic requirements reduction factors are applied in case the industrial complex / industrial park status is granted.

FOOD AND RELATED INDUSTRIES

- Processing and preservation of fish and seafood
- Production of the flour and cereals products, starches and starch products
- Production of bread and flour confectionery products for long-term and short-term storage
- Production of pasta and noodles
- Production of tea and coffee
- Manufacture of paper and cardboard products

CONSTRUCTION INDUSTRY

- Manufacture of plastic plates, strips, pipes and profiles
- Manufacture of plastic packing products
- Manufacture of bricks, tiles and other construction products made of baked clay
- Manufacture of rubber pipes, tubes, sleeves and hoses
- Manufacture of plastic construction products
- Manufacture of refractory materials
- Manufacture of ceramic tiles and plates
- Cutting, processing and finishing of decoration and construction stones

TEXTILE INDUSTRY

- Textile manufacture
- Clothing manufacture, fur currying and dyeing
- Manufacture of leather, leather goods and footwear

OTHER INDUSTRIES *

- Manufacture of pharmaceutical products
- Manufacture of printing products
- Media copying.

* if the application does not get the total significance factor (≥ 0.8), then only one reduction factor is applied to the threshold value of PB per ha, i. e. 0.6 (PB per ha = 60 m RUB), but the total significance factor should be 1.

The **reduction factors** for economic requirements are subject to gradual annual increase:

Criteria	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
PB per ha	0,3	0,3	0,3	0,37	0,44	0,51	0,58	0,65	0,72	0,79	0,85
Revenue per ha	0,5	0,5	0,5	0,55	0,6	0,65	0,7	0,75	0,8	0,85	0,9
Payroll per employee/month	0,6	0,6	0,6	0,64	0,68	0,72	0,76	0,8	0,84	0,88	0,9
Investments per ha	0,3	0,37	0,44	0,51	0,58	0,65	0,72	0,79	0,86	0,93	1

Industry-specific factors are applied, when the statuses of an industrial complex, a technopark, and an industrial park are assigned.

7. Documents required for status application

SET OF DOCUMENTS:

1. An application for status assignment.
2. A certificate containing a brief description of production and other activities at the real estate facilities applying for the corresponding status.
3. A copy of form No. 1 (enterprise).
4. A copy of the cash flow statement for 5 calendar years (if submitted by the applicant to the tax authorities).
5. A copy of the financial statement.
6. A copy of the corporation income tax return.
7. A copy of the 6-NDFL return (starting in 2016).
8. A copy of the property income tax return.
9. A copy of the land tax return, if the plots are owned by the applicant.
10. A copy of the value added tax return, if the applicant has carried out transactions that are not subject to (exempted from) the value added tax in accordance with subparagraphs 16, 16.1 of paragraph 3 of Article 149 of the Tax Code of the Russian Federation, within the period specified in paragraph 2.9 hereof.
11. A copy of the certificate confirming the main type of economic activity filed with the Social Insurance Fund of the Russian Federation (FSS).
12. A copy of form No. 4 (FSS).
13. A copy of form RSV-1.
14. Copies of the documents confirming the person's right to sign and submit documents on behalf of the organization.
15. The power of attorney authorizing the applicant to carry out activities related to the application, on behalf of other legal entities.
16. 1In addition for technology parks and industrial parks: the consent to act as a management company with an obligation to submit information on the technopark leaseholders' indicators, including the occupied area, the number of jobs per square meter of the occupied area, the amount of taxes paid to the Moscow budget, the amount of investments in infrastructure or in own fixed assets within the technopark/industrial park, and for the conclusion of a commu-

nication agreement with the Moscow Department of Investment and Industrial Policy.

17. Additionally, for industrial parks: documents confirming the entry of the industrial park and the industrial park management company information into the register of industrial parks and industrial park management companies in accordance with Decree of the Russian Government No. 794 dated 04.08.2015 «On Industrial Parks and Industrial Park Management Companies», if the applicant has applied for the industrial park status.

If it has been agreed that certain information constituting a tax secret should be considered publicly available, the documents referred to in paragraphs 4 to 10 may not be submitted.

Reporting calendar year:

- the documents mentioned in paragraphs 3, 5 to 13 shall be submitted for the last calendar year preceding the year previous to the status application year, if the status application is submitted before June 1, or for the last calendar year preceding the status application year, if the status application is submitted after June 1;
- the documents mentioned in paragraph 4 shall be submitted for the last 5 calendar years preceding the year previous to the status application year, if the status application is submitted before June 1, or for the last 5 calendar years preceding the status application year, if the status application is submitted after June 1;
- if the status application is submitted before June 1 and all the necessary reporting (paragraphs 3 to 13) for the last calendar year preceding the status application year is available (containing the receipt note by the relevant authorities):
 - the documents under paragraphs 3, 5 to 13 shall be provided for the last calendar year preceding the application year,
 - the documents referred to in paragraph 4 for the last 5 calendar years preceding the status application year.

8. Application procedure

Electronic application and document submission procedure

- Sign up at the Moscow Investment Portal www.investmoscow.ru.
- After sign-up, go to your personal account, fill out an application form and attach the documents.
- The application shall be signed with an enhanced encrypted and certified digital signature of the legal entity.
- The application can be filed in the "Industry - Support Measures" section of the portal.



You can get an enhanced encrypted and certified digital signature at www.uc-em.ru, or at another accredited certification center.

For clarification and assistance in filing an application and for other information, please contact:



investmoscow.ru

Direct line
Phone: +7 (495) 630-00-00

Marina V. Yemelina
Phone: +7 (495) 691-09-43
E-mail: EmelinaMV@gaii.mos.ru
ul. Novy Arbat 11/1,
Moscow, 119019

9. Status assignment procedure

APPLICANT



* Receipt of the decision of the Ministry of Industry and Trade (only for industrial parks)

10. Regulatory framework

- Law of the City of Moscow No. 64 dated 05.11.2013 "On Corporate Property Tax".
- Law of the City of Moscow No. 74 dated 24.11.2004 "On Land Tax".
- Decree of the Moscow Government No. 273-PP dated 25.04.2006 "On Improving the Procedure for Establishing Land Rent Rates in Moscow».
- Decree of the Moscow Government No. 38-PP dated 11.02.2016 "On Industrial and Investment Policy Measures in Moscow".

11. Contacts

Detailed information is available at www.investmoscow.ru

Ask your question at www.investmoscow.ru/line-of-direct-appeals/

Direct line of the Moscow City Investment Agency:
+7 (495) 630-0000



MOSCOW CITY
INVESTMENT AGENCY

Moscow City Investment Agency Government
of Moscow

investmoscow.ru

Marina V. Yemelina

Phone: +7 (495) 691-0943

e-mail: EmelinaMV@gai.mos.ru

ul. Novy Arbat 11/1, Moscow, 119019



investmoscow.info
MOSCOW INVESTMENT PORTAL

Attachment

SUBMISSION OF DOCUMENTS

1. If the applicant requires the account of the leaseholders' economic indicators, it is necessary to submit the register of capital structure lease contracts containing the details of the lease agreements concluded (number, date), lease terms, the list of leased premises (floor, room / premise number), area, leaseholder's name, INN, OGRN and OKVED (hereinafter referred to as the Register of Contracts). Also, the documents mentioned in paragraphs 3 to 7, 10 to 13 of the document list (section 7).*
2. If the applicant is a small business entity in accordance with Federal Law No. 209-FZ dated 24.07.2007 "On Development of Small and Medium-Sized Business in Russian Federation", a copy of the report acc. to form No. MP-sp "Main Indicators of Small Business Entity" shall be submitted.
3. If the applicant and / or leaseholder have real estate facilities outside the territory subject to the status application, if the applicant intends to account leasing contract payments as investments, if the applicant does not submit a cash flow report to the tax authorities, it is necessary to submit the auditor's report on the facts noted during the agreed procedures prepared in accordance with the current legislation (hereinafter referred to as the Auditor's Report) in relation to the investments associated with the acquisition, creation, modernization, reconstruction and preparation of non-current assets for 5 calendar years. The Auditor's Report on leaseholders is only necessary, if the applicant requires the accounting of the leaseholder's investments in the leaseholder's capital structures specified in the status application.
4. If the applicant plans to account the fixed assets contributed to the applicant's authorized capital when calculating the "Investment" indicator, then the following documents shall be submitted:
 - a copy of the minutes of the shareholders general meeting, during which it was decided to contribute the fixed assets to the applicant's authorized capital;
 - a copy of the fixed assets acceptance certificate;
 - a copy of the fixed assets assessment report for the moment of contribution.

* For the leaseholders that are individual entrepreneurs, the applicant should additionally submit:

A copy of the report acc. to form No. 1 (entrepreneur) «Information about Individual Entrepreneur Activities» certified by the leaseholder that is an individual entrepreneur or by an authorized person.

A copy of the simplified taxation tax return, or a copy of the personal income tax return (form 3-NDFL) certified by the leaseholder that is an individual entrepreneur or by an authorized person, if the individual entrepreneur leaseholder does not apply special tax regimes.

5. If the applicant / leaseholder had separate divisions in the year preceding the status application year, then it is necessary to submit reports acc. to form No. P-4 «Staff Number and Salary» for each separate division. Since 2016, a 6-NDFL certificate shall be submitted for each separate division.
6. If the applicant / leaseholder is registered as a tax payer at a legal address beyond the Moscow boundaries, it is necessary to submit the data (an extract) from the Unified State Registry of Taxpayers that were obtained no earlier than 30 calendar days prior to the status application date.
7. If the applicant has a managing organization functioning as a sole executive body of the applicant, then the application shall be accompanied with a copy of the minutes of the shareholders' general meeting, during which it was decided to assign the relevant authority. In addition, it is also necessary to submit 4-FSS reports for the managing organization functioning as a sole executive body of the applicant.
8. If, at the moment of the technopark / industrial park status assignment, the applicant and the organization applying for the technopark / industrial park management company status are different legal entities, then it shall be necessary to submit the documents listed in paragraphs 6 and 11 of the documents list (section 7) on behalf of the management company, and also the consent to act as the technopark / industrial park management company with the obligation to provide information regarding the technopark / industrial park leaseholders values and the conclusion of a communication agreement with the Moscow Department of Investment and Industrial Policy.

CALCULATION OF ECONOMIC VALUES

Core leaseholders' economic values

Economic values shall be calculated in total for the applicant engaged in the core business, and for the core leaseholders.

Core businesses:

Manufacture (except for the production of tobacco products) for **industrial complexes**. Businesses related to manufacture (excluding the production of tobacco products), Scientific research and development, technical testing, research, analysis and certification, information and communication for **technoparks**.

Businesses related to manufacture (except for the production of tobacco products), scientific research and development, technical testing, research, analysis, certification, information and communication for **industrial parks**, provided that the said activities are technologically related to the manufacturing industry (with the exception of the production of tobacco products).

Core leaseholder:

For **industrial complexes**, it is a leaseholder engaged in core activities. Upon status confirmation, there shall be a lease agreement concluded by the applicant for a period of more than 1 year, registered in accordance with the Russian legislation.

For **technoparks and industrial parks**, it is a leaseholder engaged in core activities. Upon status confirmation, the mandatory condition is that at least 70% of the area occupied by a core leaseholder should be provided to such a leaseholder under long-term lease agreements (for a period of at least 1 year).

Calculation of economic values for applicant and core leaseholders

The investments for 5 calendar years per 1 ha - the sum values in lines 4221 of the cash flow report (form No. 4 acc. to acc. to All-Russia Index of Administrative Documents (OKUD) for 5 calendar years divided by the area of all the land plots subject to the status application.

1. **Revenue** for a calendar year per ha,

$$BP = BP_{\text{HP}} \times \frac{4_1}{4_2}$$

where: **BP** is the applicant's revenue from the activities carried out in the territory of the declared real estate facilities;

BP_{HP} is the revenue classified as income acc. to the type of economic activity in the core activities line and indicated in the certificate confirming the core type of economic activity for a calendar year, divided by the area of all the land plots subject to the status application;

$Ч_1$ is the average staff number defined as the sum of the average staff numbers indicated in Forms No. P-4 «Staff Number and Salary” (or P-1) for a calendar month of the year (filed for separate divisions located in the territory of the declared real estate facilities), divided by 12;

$Ч_2$ is the average staff number indicated in form 4-FSS if there are no separate divisions, and P-4 or P-1 if there are separate divisions. .

2. **PB** for a calendar year per hectare is row 1 from column 3 of table 6 in form 4-FSS divided by the area of all the land plots subject to the status application.
3. The **average number** is the staff number on page 1 of form 4-FSS.
4. The **average monthly salary** is the PB for a calendar year (see paragraph 3) divided by an average payroll (see paragraph 4). The resulting value is divided by 12.

Calculation of values for the certain categories of applicants and leaseholders

1. If the applicant / leaseholder had separate divisions in the year preceding the status application year and (or) the legal address of the entity executive body was outside of Moscow, the following calculation is applied:

$БРП$ is the revenue, defined as income acc. to the type of economic activity in the line of the core activity and indicated in the certificate confirming the core type of economic activity multiplied by line 040 of Attachment 5 sheet 02 of the income tax return and divided by the area of all the land plots subject to the status application;

PB for a calendar year per hectare is the amount for 12 months of the calendar year acc. to row 1 of the table “Accrued Payroll Budget for Reporting Month” in form P-4 “Staff Number and Salary” (or form P-1) divided by the area of all the land plots subject to the status application;

2. If the applicant has a **Managing Organization functioning as the sole executive body**, then the applicant account its values to calculate the average salary: the sum of the managing organization’s PB (acc. to form 4-FSS) and the applicant’s PB divided by the sum of the managing company average staff number (acc. to form 4-FSS) and the applicant average staff number. The resulting value is divided by 12.

investmoscow.info

MOSCOW INVESTMENT PORTAL

