**Candidate Requirements For Residential Status Application In Special Economic Zone (SEZ) of Technological Innovation**

* A resident of SEZ is defined as a sole proprietor or any commercial enterprise registered on the municipal territory where the SEZ is located (The municipal territory of Innopolis SEZ is located at Verkhneuslonsky Municipal District and Laishevo Municipal District of Republic of Tatarstan) who in accordance with the laws of the Russian Federation has signed the Agreement
with the Administration of Special Economic Zones on technology development
and innovative activities.
* Technology development and innovative activities are defined as activities in the innovative sphere through the creation, development and production
of scientific and/or technological products; the creation and production of software for computers, databases; the creation of topographies of integrated microcircuits, information systems, and associated services for implementation and maintenance of such products and services; the creation of software, databases, topographies
and systems as well as providing residents of SEZ Technological Innovation
with innovative infrastructure services and solutions that are necessary to carry out their activities. The resident of SEZ Technological Innovation may only undertake activities specifically stipulated under the Agreement on technology development and innovative activities and may only conduct such activities on the territory
of SEZ.
* A Resident of SEZ is not allowed to have representative offices or branches outside the territory of SEZ.

**Candidate Application For Resident Status In Special Economic Zone
of Technological Innovation “Innopolis” Procedural Process**

1) Candidate must file an application for resident status at OJSC SEZ Innopolis (Agreement on technology development and innovative activities).

The Application must contain information on all planned activities, including:

- Future activities within the SEZ

- Governmental and (or) municipal property required

- The necessary land plots to be allocated

- Required office space

- Amount of expected investment including all planned capital investments that are expected to be made during the candidate’s tenure in the SEZ (starting from the signing of the residency agreement onwards). Candidates must include information on at least 3 years of planned capital investments.

- Amount of the required capacity of connected power devices of the candidate; type and amount of planned requirements in terms of resources (cold and hot water, heat and gas, etc.)

2) The following documents must be attached to the application:

2.1. Copies of constituent documents;

2.2. Business plan application form according to the Ministry of Economic Development of the Russian Federation order №75 from 23.08.2006 “The Expert Council for Special Economic Zones of Technological Innovation will prepare
an evaluation report on the business plan and any associated criteria; assessing the industrial manufacturing (technology development and innovative) activities, and any criteria associated with, or required for, the selection of banks and other lending institutions. Approval for Business plans submitted as part of the Agreement will be determined by the evaluation report.”

*The business plan must contain the following information:*

* General information about the candidate (full legal name, legal name of entity structure, date and place of state registration, information about the owner(s)/executives; types of economic activities; scheduled time for project implementation; and the intended source of finance and capital structure)
* Information about the project (main idea of the project and its’ projected viability; the form and terms of investor participation; expected social and ecological effects from the project’s realization)
* Industry\market analysis (customer groups; list of potential partners, distributors, clients, and competitors with information on their share in the marketplace);
* Description of the product or service complete with marketing and realization plans;
* Production plan (project site, construction sites and associated engineering plans, climate information, transportation details, and any other features that are relevant to the plan of capital investments and the associated characteristics of environmental impacts);
* Financial plan (description of the current financial condition of the company, the budget and tax payments, income and expenses, and the estimated amount of investment);
* Evaluation of the project and risks associated with implementation of the project

2.3. A copy of a state registration for the legal entity or sole proprietorship;

2.4. A copy of a registration document from the relevant tax body;

3) The application and documents are to be sent to the Supervisory Board of “Innopolis” Special Economic Zone of Technological Innovation for consideration.

4) The candidate must present the investment project in person at the scheduled Supervisory Board meeting. Supervisory board may provide recommendations to the Agreement on technology development and innovative activities as part of the review process.

5) If the investment project passes a Supervisory Board vote successfully, copies of the investment documents and the Supervisory Board’s decision are transferred to the Council of Experts under the Ministry of Economic Development of the Russian Federation.

6) The Council of Experts will then make a decision whether to successfully file the Agreement for the candidate, indicating the completion of the approval process, or to alert the candidate of alterations to be made to business plan, whereupon the project will be resubmitted to the Council of Experts for review. Ministry of Economic Development of the Russian Federation will notify the candidate about the Council of Experts’ decision within five days of the candidate’s submission of documents to the ministry.

7) The Ministry of Economic Development of the Russian Federation will present the candidate and SEZ Innopolis with the Agreement on technology development and innovative activities within 10 days of the date of the successful decision to file the Agreement.

8) The Ministry of Economic Development of the Russian Federation will make an entry into the register of residents of SEZ within 3 days from the date of the candidate’s signed Agreement on technology development and innovative activities.

**Tax Benefits For SEZ Residents**

|  |  |  |
| --- | --- | --- |
|  | Corporate income tax | *Federal tax rate*0% - until 2018*Regional tax rate\**0% - first 5 years5% - next 5 years13,5% - after 10 years |
|  | Transport tax\* | 0% - for 10 years |
|  | Property tax |
|  | Tax on land  | 0% - for 5 years |

*\* - tax rates planned to be established by Republic of Tatarstan law in the 2nd quarter of the year 2014*

Insurance payments

|  |  |  |  |
| --- | --- | --- | --- |
| Name of the institution | 2014-2017 | 2018 | 2019 |
| Pension Fund of Russian Federation | 8,0% | 13,0% | 20,0% |
| Social Insurance Fund of the Russian Federation | 2,0% | 2,9% | 2,9% |
| Federal Compulsory Medical Insurance Fund | 4,0% | 5,1% | 5,1% |
| Territorial Compulsory Medical Insurance Funds | 0,0% | 0,0% | 0,0% |
| **Total** | **14%** | **21%** | **28%** |