



**THE CHAMBER OF COMMERCE AND
INDUSTRY OF THE REPUBLIC OF TATARSTAN**



**TATARSTAN INVESTMENT
DEVELOPMENT AGENCY**



HOW

TO INVEST IN

TATARSTAN

**2014
2015**

INFORMATION TIPS FOR THE INVESTOR

Welcoming Speech of the President of the Republic of Tatarstan R. N. Minnikhanov



Dear Ladies and Gentlemen!

The Republic of Tatarstan is one of the most dynamically developing regions of Russia, and is a permanent leader among ten of them regarding the main indexes of social-economic development, including political stability and investment attraction.

High level of industrial production, developed infrastructure of transportation, rich natural resources and high scientific and technical potential provide competitive advantages in such branches of industry as oil refining, petro-chemistry, machine-building, aircraft and helicopter construction, as well as in IT sector. Agro-industrial complex is actively developing as well.

Special Economic Zone of industrial production type “Alabuga” is successfully operating on the territory of the Republic of Tatarstan, providing tax and customs preferences to its investors.

The increase in competitiveness of the economy of the republic is inseparably connected with the life quality of its population. The right to host the XXVII Universiade, World Summer Student Games of 2013, acquired by the capital of our republic – the city of Kazan, has become a result of active work directed at optimization of social infrastructure.

Favorable conditions provision for the local and foreign partners, as well as promotion of investment projects realization, have traditionally been the main priorities of the investment policy of the Republic of Tatarstan.

We are open for mutually beneficial cooperation and development of your business.

President
of the Republic of Tatarstan

A handwritten signature in blue ink, consisting of a large, stylized 'R' followed by a smaller 'N' and a final flourish.

R. N. Minnikhanov



Dear Colleagues and Friends!

Let me congratulate you with the publication of the updated edition of the Chamber of Commerce and Industry of the Republic of Tatarstan guide-book “How to Invest in Tatarstan”. It is a good illustration of rich opportunities in the Republic on the priority directions of the local economy modernization – innovation development, modern technologies market establishment, improvement of investment potential of the region.

Due to the developed infrastructure of business support, including Free Economic Zone “Alabuga”, Techno park “Idea”, Technopolis “Khimgrad”, current regulatory-legal base, the Republic of Tatarstan has become not only the leading industrial region, but also attractive from the point of investment opportunities.

I wish the entrepreneurs of Tatarstan and the collective body of the Chamber of Commerce and Industry of the Republic new achievements and success in its activity.

*President of the Russian Federation
Chamber of Commerce and Industry*

A handwritten signature in black ink, appearing to read 'S.N. Katyrin', written in a cursive style.

S.N. Katyrin



Ladies and Gentlemen!

I am happy to present you a new edition of Investor's Guide, which has become a periodical publication. I hope it will prove useful for everyone who is interested in the Republic of Tatarstan as a business partner with great potential.

The present state of economy in Tatarstan and its far reaching prospects for the future are conditioned by its sustainable development in various sectors: production, construction, trade, tourism, information technologies. The Government of the Republic has established a precise investment policy, carried out necessary structural and institutional transformations, formed an effective legislative base. All this ensure the leading position of Tatarstan as a region favorable for investment.

Our Republic will be happy to see you as honorable guests and partners. I truly believe that investment in Tatarstan is both profitable and perspective.

CCI RT Chairman
of the Board

A handwritten signature in black ink, consisting of stylized cursive letters that appear to read 'Shamil R. Ageev'.

Shamil R. Ageev



Dear Ladies and Gentlemen!

TATARSTAN is a unique and foremost region of Russia. Today we compete in international market. Our competitive advantages are innovation, high-tech production, skilled workforce, developed infrastructure, wide range of tax preferences and favorable business-climate.

Tatarstan Investment Development Agency (TIDA) established in 2011 is aimed at support, assistance and project process tracking. Our task is to make the Investor feel comfortable and become our long-term partner. This mission is being successfully completed.

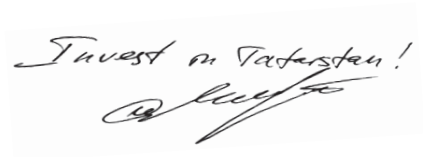
We implement investment projects with different countries of the world. During many years we have worked constantly with significant foreign investors such as «Ford», «Kiekert AG», «Hayat Holding», «Kastamonu Entegre», «Rockwool», «Haier», «Siemens», «Air».

There are industrial parks in the Republic of Tatarstan for example, special economic zone “Alabuga”, special economic zone “Innopolis”, technopolis “Khimgrad”, “IT-park”, technopark “Idea” and “Smart City”. The number of parks’ residents is constantly growing thanks to the privilege package that the Investor can get including free connection to the utilities – gas, electricity etc. The residents have no land tax, zero property tax and zero transport tax for ten years from the moment of their first profit.

Tatarstan provides an access to wide custom base within Russia. 7 out of 11 of Russia's biggest cities are situated around not more than 1000 km away from us. Due to this you will have the opportunity to offer your products and service to almost half of Russian market.

The most important issue for TIDA is a long-term and reliable partnership.

Chief Executive,
Tatarstan Investment
Development Agency
Taliya Minullina



Invest in Tatarstan!
[Signature]

HOW TO INVEST IN TATARSTAN (information tips for the investor):
2014.

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The Ministry of Agriculture and Food of RT

The Ministry of Transport and Road Facilities of RT

The Ministry of work, employment and social protection of RT

Ministry of Economy of RT



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INDUSTRY OF THE REPUBLIC OF
TATARSTAN

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DEVELOPMENT AGENCY

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INFORMATION TIPS FOR THE INVESTOR

2014-2015

GUILD OF THE INTERPRETERS AND TRANSLATORS OF THE REPUBLIC OF TATARSTAN

Non-profit Partnership «Guild of the Interpreters and Translators of the Republic of Tatarstan» (RT GIT) is the professional language service provider established under the umbrella of the Chamber of Commerce and Industry of the Republic of Tatarstan has been active on the market of translation and interpretation service for over 9 years already. Our company has a great experience in rendering professional linguistic services at the international, official as well as commercial levels – in all kinds of translation (written, oral consecutive and simultaneous).

Main types of our activity:

– written translation with official certification of: the companies' constituent documents, personal documents, commercial, legal, advertizing, technical and scientific material, manuals of audio-video devices, medical and household gadgets, automobiles; consecutive and simultaneous interpretation at the conferences and negotiations, equipment assembly, telephone talks; seminars of translation and interpretation skills improvement.

The Guild provides services in the following languages: English, French, German, Spanish, Italian, Greek, Swedish, Polish, Check, Hungarian, Slovak, Bulgarian, Arab, Turkish, Tatar, Bashkir, Chinese, Japanese, Hindi.

The most important factor of our activity is the quality of the rendered services.

The significant difference of the services' level provided by the RT Guild, as compared with other companies providing language services, is the opportunity to certify the translation of the commercial documents (contracts, agreements, invoices, bill of lading, different product managing and other documents connected with the foreign economic activity) with the seal of the Chamber of Commerce and Industry of RT and RT Guild of Interpreters and Translators, which makes considerably easier the activity of the local business abroad.

The Guild unites the team of high level professionals. We have signed contracts with the best written translators and oral consecutive and simultaneous interpreters of our region, as well as with some translators living abroad. All translators and interpreters are certified and have the higher linguistic and/or special technical/liberal arts education, opening the opportunity to translate a wide range of topics from the different branches of industry, science and business.

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1. Investments in the Republic of Tatarstan

Foreign investors operating in the region



Wienerberger A.G. (Austria) – Brickworks in the Republic of Tatarstan with annual capacity of about 140 mln. pcs of brick. Located in Vysokogorsky district, 40 km from Kazan.



Investore Internazionale Srl. (Italy) – Production of bi-axial-oriented polystyrene and polypropylene (BOPS and BOPP).

The EFES Group of Companies – JSC KRASNY VOSTOK-SOLODOVPIVO brewing house, Kazan.



JSC ZASS Alabuga – licensed by DeLonghi (Italy) production of household appliances (such as oil filled electric heaters), the city of Elabuga.



Schneider Electric (France) – licensed production of electric power substations and high voltage TATEK equipment in the city of Zainsk.



JSC Sollers – production of FIAT utility vehicles in the territory of SEZ Alabuga. Annual capacity of the plant in the city of Elabuga is about 75 ths. vehicles. Production of Isuzu trucks in Elabuga and Rexton, Action, and Kayron off-road cars in the city of Naberezhnye Chelny.

ISUZU



SsangYong Motor Company



Zahnrad Fabrik (Germany) – ZF-KAMA LLC, a joint venture with JSC KAMAZ in Naberezhnye Chelny.



IKEA (Sweden) – shopping mall Mega-Kazan.



Metro Cash&Carry – wholesale trade centers. Cities of Kazan and Naberezhnye Chelny.



Quinn Group (Ireland) – project for construction of Q-park Kazan warehouse complex and logistics park with office buildings in Laishevskiy district of Tatarstan Republic.



Technimont (Italy) – construction of polypropene plant for JSC Nizhnekamskneftehim with capacity of 180 ths. tons. Realization of project for polyethylene production for JSC Nizhnekamskneftehim with annual capacity of 230 ths. tons.



Grantor of production technology licence for JSC Ammoniy, the city of Mendeleevsk.



Contractor for construction of chemical plant for JSC Ammoniy.



Construction of insulating materials production in SEZ Alabuga.



GE imagination at work

General Electric (GE) signed a Memorandum of Understanding for coopera-

tion with enterprises and organizations of Tatarstan. Main lines of cooperation include implementation of GE technology at JSC Tatneft on projects for exploitation of bituminous sands and utilization of casing-head gas with regard to depletion of current oil pools. They also include maintenance of GE gas turbines operating at JSC Nizhnekamskneftehim, development of projects for generation of electrical energy, industrial automation and water production and processing technologies. The Memorandum envisages joint projects with JSC Kazankompressormash, JSC Tatenergo, Gazprom Transgaz Kazan LLC, JSC KMPO.



ZAO Raiffeisenbank is a subsidiary of Raiffeisen International Bank-Holding AG, Austria. «Kazansky» is the regional branch in Tatarstan.

DAIMLER

Daimler AG – one of the leading international car manufacturers, fifth largest car corporation in the world. Holds 11 % of JSC KAMAZ shares.



GE Money Bank
RUSSIA

Has 15 branches servicing clients in Tatarstan in the cities of Kazan, Naberezhnye Chelny, Nizhnekamsk and Zelenodolsk. Kazan also has the federal call-center for client servicing.



ZAO Bank Inteza (86,75% by Intesa Sanpaolo Group and 13,25% by EBRD) opened in Tatarstan five operating branches in Kazan and one in Naberezhnye Chelny.



Спурт Банк

Current share of EBRD in joint capital of JSC Spurt bank in Kazan is 28.25%



French group Auchan has opened one of its hypermarkets in Kazan. Today the group owns 373 hypermarkets and 664 supermarket stores in 11 countries. 33 hypermarkets already operate in Russia.



Kastamonu Integrated Wood Industry LLC began construction of particle board and MDF production plant in the territory of SEZ Alabuga. The company is a subsidiary of Kastamonu Entegre (part of Hayat Holding in the Republic of Turkey). Kastamonu Integrated Wood Industry and Trade Co., a large industrial group of companies with production enterprises in Turkey, Bulgaria and Romania is now represented in Russia.



ZAO Trakya Glass Rus started construction of a subsidiary plant of Cam Sanayii A.S., a branch of Sisecam corporate group (Turkey), for production of flat and composite glass, automotive glass and mirrors in the territory of SEZ Alabuga.



«Picsar Coatings» OOO (Limited Liability Company) is included to the group of companies Picsar Vernici S.r.l. Italy. The scope of activities of the company is production of light-body and powder paintwork materials, corrosion-resistant coatings and coatings for wood.



French group Auchan has opened its hypermarkets in Kazan. This group occupies its market niche of 11–13%, while in some foreign European countries this index reaches 90%.

LEROY MERLIN – is a part of GROUPE ADEO. This brand name embraces nine brands of the sector D.I.Y. (Do-It-Yourself) of four professional categories:

- Hypermarkets: LEROY MERLIN
- Shops occupying average area: AKI, BRICOCENTER, WELDOM, DOMPRO
- Shops-warehouses: BRICOMAN, BRICOMART
- Innovation concepts: ZODIO, KBANE, DELA-MAISON.FR

LEROY MERLIN embraces 325 shops all over the world. All shops possess a wide range of commodities representing five main directions: house, interior, building materials, refurbishing and garden.

2. Overview

1. Geographic location



Tatarstan is located in the central part of the Russian Federation on the East European plain in the confluence of the biggest rivers – the Volga and the Kama. Kazan is located 797 km to the east of Moscow.

Total area of the Republic is 67 836.2 km². The territory extends for 290 km from north to south and for 460 km from west to east. Tatarstan does not border with any foreign countries.

The territory of the Republic is plain in the forest and forest-steppe zone with minor uplands on the right bank of the Volga River and in the South-East of the republic. 90% of the territory is up to 200 m above sea level.

More than 16% of the territory of the republic is covered with forests mostly of foliage species of trees (oak, linden, birch, aspen), coniferous species are represented by pine tree and spruce.



The climate is moderate continental with occasional droughts. Average temperature in January (coldest month) is -14°C , in July (warmest month) $+19^{\circ}\text{C}$. Average amount of precipitation is 460 to 520 mm. Vegetation period is approximately 170 days.

2. State structure

Since 1990 three major documents have been adopted in the Republic: Declaration on the State sovereignty, Constitution and Agreement on distribution of mutual delegation of powers with the Russian Federation. All three documents in the aggregate form the legal base and foundation for political stability of society and basis of economic reforms.

On April 19, 2002 the Parliament of Tatarstan adopted new revision of the Constitution of the Republic. The new Constitution proclaims an individual and his rights and liberties to be the highest priority, and the responsibility of the Republic of Tatarstan is to recognize, comply with the rights and liberties of a citizen and individual. The Constitution of Tatarstan formalizes general principals such as universal suffrage, freedom of speech, freedom of conscience, participation in political parties and organizations, etc.

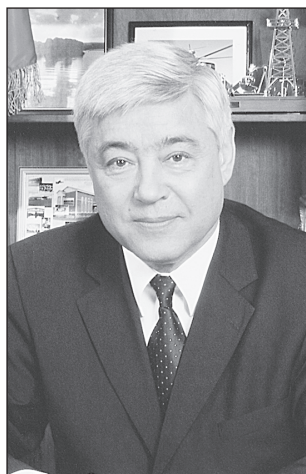
The Constitution of the Republic of Tatarstan formalizes separation of powers into legislative, executive and judicial branches.



**Rustam Minnikhanov –
President of the Republic of Tatarstan**



**Ildar Khalikov –
Prime Minister of the Republic of
Tatarstan**



**Chairman of the State Council of
the Republic of Tatarstan
is Farid Mukhametshin**



**Mayor of the city of Kazan –
Ilсур METSHIN**

The Head of the state and the highest official of the Republic of Tatarstan is the President.

He is in charge of the system of executive State government bodies in the republic and guides the activity of the Cabinet of Ministers, which is the executive and regulatory body of state power. The Cabinet of Ministers reports to the President; the Prime-Minister is adopted by the Parliament of Tatarstan on the proposal of the President.

One-chamber State Council (Parliament) represents supreme representative and legislative body of the governmental power of the Republic of Tatarstan.

Local government is self-dependent within its power. Local government bodies is not included in the system of governmental power bodies.

Judicial power is exercised through the Constitutional court of the Republic of Tatarstan, district general jurisdiction courts, Arbitral court of the Republic of Tatarstan and the magistrature. Legal and clerical proceedings in courts are conducted in compliance with the federal law.

3. Economic areas of the Republic of Tatarstan

Kazan agglomeration

Kazan agglomeration includes Kazan urban district and six municipal districts: Verkhneuslonsky, Vysokogorsky, Zelenodolsky, Laishevsky, Pestretchinsky, and Atninsky. Geographically the region is located in the north-western part of the Republic of Tatarstan on both banks of the Volga river.

Industrial enterprises of the region include chemical and petrochemical production, factories of military-industrial complex, wood processing, consumer and food industry.

Kazan agglomeration possesses a limited natural resources potential. Of primary economic value are only construction materials (limestone, dolomites, clays, gravel, and sand). Peat is also used in minor amounts, generally for agricultural needs.

Major industry specialization groups in Kazan agglomeration are complexes of manufacturing sector and service industries, i.e. those using qualified personnel and vast potential obtained from the military-industrial complex. The structure of industrial production comprises, first of all, machinery building and metalworking (aircraft and helicopter manufacture, shipbuilding, professional equipment engineering, motor building, production of compressors, medical appliances and instruments, optical-mechanical production, etc.), chemical and petrochemical industry, production of construction materials, electric power industry, consumer and food industry, wood processing, and printing industry. Advancement of Kazan agglomeration is conditioned by development strategy for the capital of the republic, Kazan urban district and relates to spread of its influence as the «growing point» beyond the bounds of Kazan agglomeration with maximum utilization of advantages of the capital's market capacity and realization of traditional specialization potential of neighboring regions along with innovation diversification of their economies. Development of its transportation, information and communication, and social infrastructure will be in many respects promoted by the fact that Kazan urban district is preparing to host International summer Student Games in 2013.

Extended network of highways will result in new residential areas within the structure of Kazan agglomeration with higher life quality and business infrastructure, which along with vast academic and educational potential of the capital city and scientific-innovation infrastructure will provide the basis for rational distribution of new high-technology enterprises of manufacturing industries, modern transportation, logistical, and service management complexes.

In its turn, development of new centers of advanced industry and modern service economy will promote technological modernization of traditional manufacturing branches (machinery building, chemical and petrochemical, aeronautic and consumer industries), concentrated in Kazan urban district and Zelenodolsk city.

Development of the Sviyazhsk logistics center, national and international transport corridors will provide for lower cost of transportation

and will stimulate investment in manufacturing branches oriented on the capital's market, and increase labor mobility of population.

Major development of Zelenodolsk city will be in the sphere of transportation and business services, high-technology import-substituting manufacturing, military-industrial complex, shipbuilding, automotive industry, as well as traditional industrial branches of the north-western regions such as machinery building, professional equipment engineering, electrical engineering, metallurgy, chemical industry, biopharmaceutics.

Universiade (Student Games) 2013

Volga region Academy of Physical Culture, Sport and Tourism

Volga region Academy of Physical Culture, Sport and Tourism has been established by the Ministry of sport, tourism and youth policy of the Russian federation in July, 2010 within the scope of the XXVII World Summer Student Games Heritage Concept realization. The decision to move the Academy from the Naberezhnye Chelny into Kazan has been adopted by Vitaliy Mutko, the Minister of Sport, tourism and youth policy And the President of the Republic of Tatarstan Rustam Minnikhanov.

The first enrollment into the Volga region Academy of Physical Culture, Sport and Tourism in Kazan has been fulfilled in 2011. At present there are 1702 students studying in the Academy. 239 young sportsmen more study in the College of physical culture under the Academy in Naberezhnye Chelny.

The Academy holds enrollment along the following directions: «physical culture», «adaptive physical culture», «tourism», «service», «hotel business» and «management». The number of budget places for enrollment in 2012\2013 has increased to 405, including 295 – for the day time education form. Physical culture teachers, sport schools trainers, remedial gymnastics instructors and employees of the fitness and rehabilitation centers, sport and work related agencies managers, athletic sporting events organizers, specialists in the field of tourism and service are being trained here.

Both day time and distant education forms for bachelors and masters' degree have been arranged in the Academy. There is a post graduate training program, higher doctorate degree program and Dissertation Council.

At present the Academy employs 130 faculty members, including 33 members – in Kazan. 70% of the staff has research degrees, 24 of them are doctors and professors. The total staff number of the Academy, with

consideration of the sporting objects and the Academy branch employees, as of the date comprises over 500 people.

International educational center of the International University Sports Federation

The mission of the International educational center of the International University Sports Federation (FISU) includes the following: sport values promotion through the creation of innovational education platform; knowledge transfer facilitation and integration of all interested parties' efforts; as well as the events level held under the International University Sports Federation umbrella increase through the personnel qualification of organization committees of the events and national student sport associations increase.

International educational center has been established in 2012 under the Volga region Academy of Physical Culture, Sport and Tourism by the University Sports Federation, Ministry of Sport, Tourism and Youth Policy of the Russian Federation, the Republic of Tatarstan and the Russian Students Sport Union.

It will become the center of professional education and the place for holding of the research in the field of university sport with the effective system of the knowledge collection, analysis, storage and transfer. The important goal is the distribution of ideas and values of the international university sport, creation and preservation of the Universiade heritage.

Universiade venues:

1. Saint Peterburg Volleyball Centre
2. Akcharlak Swimming Pool
3. Burevestnik Swimming Pool
4. Kazan International Equestrian Complex
5. Batyr Sports Complex
6. Box and Table Tennis Centre
7. Tezuche Universal Sports Complex
8. Moskva Sports Complex
9. Bustan Sports and Fitness Complex
10. Tulpar Sports Complex
11. Ak Bure Sports Complex
11. Triumf Sports and Fitness Complex
12. Itil Culture and Sports Complex
13. Forward Sports Complex
14. Zilant Sports Complex

15. Olimpiets Sports Complex
16. KAI Olimp Culture and Sports Complex
17. Kazan Tennis Academy
18. Miras Sports Complex
19. Ak Bars Wrestling Palace
20. Vatan Sports and Fitness Complex
21. Rowing Centre
22. Field Hockey Centre
23. Basket Hall Basketball Sports Complex
24. Water Sports Palace
25. Tatneft Arena Sports Palace
26. Football Stadium for 45 000 places
26. Universiade Village

Updated information at: <http://www.kazan2013.ru>; <http://universiada.ru/>

Naberezhnochelninskaya agglomeration

Located in the north-eastern part of Tatarstan on both banks of the Kama river it includes Naberezhnye Chelny urban district and nine municipal districts: Agryzsky, Aktanyshsky, Menzelinsky, Muslumovsky, Mendeleevsky, Elabuzhsky, Nizhnekamsky, Tukaevsky, and Zainsky.

In its economic potential Naberezhnochelninskaya agglomeration occupies the second place after the Kazan one. Major industries in the area are machinery building (automotive, electrical engineering industry) and chemical and petrochemical industries. Among other branches there are oil production, electric power industry, production of construction materials, and food industry.

Industrial potential of Naberezhnochelninskaya agglomeration is determined by automotive factories and oil refineries, Special economic zone Alabuga, a row of industrial parks (Kama industrial park Master, Tatelektromash, Technopark Prikamya, business incubator Alabuga).

In the near-term prospect Naberezhnochelninskaya agglomeration is the basis for development of the whole economy of the Republic of Tatarstan due to two clusters formed in its territory, namely automotive production (with backbone enterprises JSC KAMAZ and SOLLERS group) and oil-refining (backbone enterprises JSC Nizhnekamskneftehim and JSC TANEXO). Development of the two clusters will be based on establishment of car components production, growth of small oil-refining business, and heavy-chemicals plants.

Automotive industry of Tatarstan turned out to be most susceptible to economic crisis, which considerably affected demand for production of JSC KAMAZ and other plants in the industry.

Therefore, combined efforts of the Government of the republic and the plant management are aimed at anti-recessionary measures: the plant received donation from the federal budget, manufacture is gradually re-oriented on domestic cooperation – the Government of Bashkortostan Republic and JSC KAMAZ signed an agreement on supply of production of JSC KAMAZ for a term of one year, other lines of cooperation are envisaged.

Joint Stock Company Nizhnekamskneftehim today is one of the largest Russian enterprises, country's leader in petrochemical industry, which despite recession proceeds in its effective operation and development. On the immediate horizon several investment projects are to be implemented for processing of over 30% polymeric materials of own make in the republic following establishment of industrial park in the territory of urban-type settlement Kamskiye Polyany. This will provide for new jobs, advancement of small business, further increase in polymeric materials processing.

Another promising strategic lines for development of the agglomeration is tourism and recreation sector: a project is being implemented for setting-up «Kamskiye Polyany» tourist and recreational park in the territory of Nizhnekamsky, Mamadyshsky, Elabuzhsky, Chistopolsky and Rybno-Slobodsky regions of the Republic of Tatarstan with the center in urban-type settlement Kamskiye Polyany. The territory and surroundings of the park, being material resources of sustainable development have a considerable potential for development of cultural and informative tourism, which will raise investment appeal of the agglomeration in general.

South-Eastern economic zone

South-Eastern economic zone includes eight municipal districts: Almetyevsky, Aznakaevsky, Bugulmysky, Bavlinsky, Leninogorsky, Sarmanovsky, Cheremshansky, and Yutazinsky.

Economic scheme of the zone has strongly marked specialization: oil production and manufacture of oil equipment.

Geographically the zone is located in the south-eastern part of the Republic of Tatarstan. Its natural resources include significant reserves of oil, associated gas, original bitumen, construction materials, mineral water and therapeutic muds, which determines its specialization, first of all as extractive economic zone. Productive soils are vastly represented in the zone, in particular, blackearth covers more than 80% of farmland. Owing to high population density, industrial output, developed commercial

and transport infrastructures, South-Eastern economic zone is among the three leading zones of the Republic of Tatarstan.

As the major industrial branches in South-Eastern economic zone belong to primary sectors, first of all, oil production, new technologies for development and renovation of oil and gas production are of special importance in the territory, including high-level processing of oil and bitumens. This will require modernization and re-equipment of the plants in the sector, being the essence of innovativeness of advancement of the eastern regions of the republic.

Another perspective direction for the development of the zone is more rational use of current scientific and production (geologic exploration, oil processing and petrochemical technologies transfer) and educational potential, which will provide for deeper integration into global economy.

One more strategic priorities for development of South-Eastern economic zone can become motor road construction and repair enterprises, roadside services in Almetyevsky, Leninogorsky, Bugulmynsky, and Bavlinsky regions («Road as manufacture»), which will be stimulated by the investment project for construction of international transport corridor «Western Europe – Western China».

Predvolzhskaya economic zone

Comprises six municipal districts – Apastovsky, Buinsky, Drozhanovsky, Kaibitsky, Kamsko-Ustinsky, and Teyushsky.

Regional economy is based on food industry, agriculture, and construction materials production. The region also has deposits of oil shales (in Teyushsky and Drozhanovsky regions, not developed due to minor reserves) and non-metallic mineral resources, among which are gypsum (Kamsko-Ustinskoye deposit has federal-republican status), building stone, clays, sands, zeolite-containing solids – new type of minerals for the republic (considerable reserve of more than 3 billion tons allows for their effective development and multipurpose usage as ameliorants, supplementary feeding for cattle, active agents for cement). Advanced exploration and exploitation of mineral resources of Predvolzhskaya economic zone, including zeolite-containing solids can add industrial attractiveness to this mostly agricultural region and raise general potential of mineral resources of the Republic of Tatarstan.

Agriculture, manufacturing industry and construction have the largest share in the economy of Predvolzhskaya economic zone.

Priority areas of strategic development in the zone are processing of explored reserves of malmrock, service sector advancement (therapeutic

resorts, rural tourism, etc.), wood processing and manufacture of woodwork, production of construction materials, logistics, effectivization of agriculture and agricultural products processing. Owing to federal highway A-151 «Tsvil'sk-Ulyanovsk» running along the economic zone and scheduled construction of a bridge across the Volga river near the city of Tetyushy roadside service and tourism can become strategic directions of development.

Predkamskaya economic zone

The zone occupies most of the northern part of Tatarstan which constitutes 16.3 % of the republic. It includes seven municipal districts – Arsky, Baltasinsky, Kukmorsky, Mamadyshsky, Rybno-Slobodsky, Sabinsky, and Tyulyachinsky.

Regional economy is based on agribusiness industry, construction materials, and food industry. This area of Tatarstan has deposits of peat, construction materials and mineral water.

Primarily agriculture, construction materials manufacture, wood processing industry, construction, consumer industry, transportation and service business are represented in the region.

Priority areas of strategic development in Predkamskaya economic zone are effectivization of agriculture and agricultural products processing, advancement of service business (hotel and roadside service business, rural tourism, weekend tours, etc.), revival of folk-crafts, wood processing and manufacture of woodwork, construction materials production.

Zakamskaya economic zone

Zakamskaya economic zone is located in the southern part of the republic on the left bank of the Kama river and comprises seven municipal districts – Alkeevsky, Aekseevsky, Aksubayevsky, Novosheshminsky, Nurlatsky, Spassky, and Chistopolsky.

Zakamskaya economic zone is an industrial and agricultural region oriented on oil production, precision engineering, and agricultural products production and processing.

Major industry specialization sectors in Zakamskaya economic zone are: fuel industry, food industry, machine building, as well as construction materials manufacture, electric-power industry, forestry and consumer industry.

Main production is located in the cities of Nurlat and Chistopol, in a less degree it is represented in other towns of the municipal districts.

Priority areas of strategic development in this economic zone are effectivization of agriculture and agricultural products processing, advancement of consumer industry (textile and garment manufacture), service business (hotel services, water and rural tourism, weekend tours, etc.), wood processing, construction materials manufacture, and fish farming.

Population

According to 2010 statistics general population of the Republic of Tatarstan is more than 3 785 thousand people (men – 1752,6 thousand people, women – 2032,4 thousand people).

The Republic of Tatarstan has the 8th largest population after Moscow and Saint-Petersburg cities, Krasnodarsky krai, the Republic of Bashkortostan, Moscow, Sverdlovsk, and Rostov regions. It has the 2nd largest population in the Volga federal region after the Republic of Bashkortostan.

Most of the population of the republic (approximately 74%) lives in cities and urban communities. Kazan, being one of the 12 largest cities in Russia with the population of over 1 million people (Moscow, Saint-Petersburg, Novosibirsk, Nizhny Novgorod, Ekaterinburg, Samara, Omsk, Kazan, Chelyabinsk, Rostov-on-Don, Ufa and Volgograd), has the largest number of citizens.

Tatarstan is one of the most multinational territories of Russia, more than 115 nationalities live in the territory of the Republic including 8 nationalities, consisting of more than 10 thousand people: Tatars, Russians, Chuvashes, Udmurts, Ukrainians, Mordovians, Maris and Bashkirs. The Tatars predominate among people populating Tatarstan as per the number of population (more than 2 million people or 52.9% of the total number of people in the Republic). Russians are the second – approximately 1.5 million people or 39.5%, the Chuvashes are the third (126.5 thousand people or 3.4%).

A women to men ratio in the Republic of Tatarstan is 1161 to 1000 (in Russia this ratio is 1147).

892.3 thousand men and 897.5 thousand women at the age of 16 or older in the Republic of Tatarstan are married.

Educational level is considerably high: 435 of 1000 citizens of the Republic at the age of 15 and above have vocational and higher level of education.

3. Legal basics of the foreign investors' activity in the Russian Federation

1. Legal regulation of foreign investments

Legislative regulation guiding foreign investments in the Russian Federation is the Federal Law «On the foreign investments in the Russian Federation» of July 9, 1999 No 160-Φ3 (further- «The Foreign Investments Law»). Alongside with the indicated law regulating and warranting the fundamental rights of foreign investors, there are alternative legislative regulations, directly or indirectly guiding relationships connected with investments realization, such as the Federal Law «On agreements of products distribution» of December 30, 1995 No 225-Φ3, Federal Law «On the procedure of foreign investments realization into the economic societies, having strategic value for the country's defence and security of the state» of April 29, 2008 No 57-Φ3, the Law «On the investment activity in the Russian Federation, realized in the form of the capital investments» of February 25, 1999 No 39-Φ3.

The foreign investors are warranted through the granted bilateral international agreements, signed by the Russian Federation with the number of the foreign states. These are, in particular, the agreements on promotion in mutual protection of investments, signed with Sweden, Norway, Italy, USA, Japan, and China. Apart from that, the Russian Federation is a legal representative of the USSR in the similar agreements signed with the governments of Germany, France, Great Britain, Austria, and Finland.

1.1 Main Provisions

The investments realization in the Russian Federation is possible in any form not prohibited by the Russian legislation.

Foreign investors enjoy the same rights and bear the same responsibility as the Russian investors. Limitation in rights of the foreign investors may be enforced only by the federal laws and only in the volume necessary

for the protection of the constitutional form, morals, health, rights and legal interests of other people, country defence and state security provision.

Foreign investors' property as well as the one of the commercial organizations with the foreign investments shall not be subject to seizure. Exception to this rule may be established only in legislative order and shall envisage the reimbursement of the losses.

Upon payment of taxes and dues stipulated by the legislation of the Russian Federation, foreign investors have right to the free application of their income and revenues on the territory of the Russian Federation as well as to their transfer abroad.

The foreign investor may assign his rights and liabilities to the third person on the basis of the contract. Apart from that, he may be entitled for reimbursement of the losses, incurred as a result of the illegal actions (nonfeasance) of state bodies, local self government or official persons of these bodies.

1.2 Priority investment projects

If the foreign investors effect direct investments and fulfill priority investment projects, they can be granted certain benefits and additional guarantees.

The direct investment, effected by the foreign investor, shall be construed the following:

- Purchase by the foreign investor of no less than 10% of the share in the authorized capital of the already existing or newly established commercial organization in the Russian Federation in the form of the partnership or company in compliance with the civil legislation of the Russian Federation;

- Capital investment into the main assets of the foreign legal entity branch, established on the territory of the Russian Federation;

- Fulfillment of activity as a leasing company on the territory of the Russian Federation regarding the certain types of equipment, the customs value of which comprises not less than 1 mln. rubles.

- Priority investment project, meeting simultaneously two following conditions:

The total amount of the foreign investments into the project comprises not less than 1 bln. rubles (or its equivalent in the foreign currency by the exchange rate of the Central Bank of the Russian Federation as of the day of the Law of the Foreign Investments coming into force – near 40 mln. Euro), or the share of the foreign investments in the authorized capital of the commercial organization, realizing the project is comprising not less than 100 million rubles (or its equivalent in the foreign currency by the

exchange rate of the Central Bank of the Russian Federation as of the day of the Law of the Foreign Investments coming into force – near 40 mln. Euro);

- Investment project is included into the list of the Priority investment projects, adopted by the Government of the Russian Federation.

The Law of the Foreign Investments is granting the foreign investors a world wide spread practice of protection guarantee from the negative alteration of legislation in the adopting country («granddad's clause»). In compliance with the Article 9 of the Law of the Foreign Investments, new federal laws and other regulatory legal acts of the Russian Federation increasing the integral tax burden on the activity of the foreign investor and the commercial organization with the foreign investments, or establishing the less favorable mode regarding foreign investments, shall not be applied within the repayment period of the investment project, but not exceeding 7 years since the day of the present project financing commencement by way of the foreign investments. The protection guarantee against the negative alteration of the Russian Federation legislation shall be applied concerning the foreign investors of commercial organizations with foreign investments realizing priority investment projects (regardless of the foreign investments share in the authorized capital value), as well as concerning the commercial organizations with over 25% of foreign investments share in the authorized capital. The guarantee is valid with reference to the following taxes:

- Import customs dues (except customs dues, established for the protection of economic interests of the Russian Federation in the field of the foreign trade in compliance with the Russian Federation legislation);

- Federal taxes (except excise taxes and value added tax (further – VAT) for the goods manufactured in the Russian Federation);

- Dues to the state extra-budgetary funds (except dues into the Pension Fund of the Russian Federation).

Such protection of investors from the negative alteration in the Russian Federation tax legislation at present is not envisaged, it makes the practice of the named guarantee hard for realization.

1.3 Limitation of the foreign investors activity

The principally equal position of the local and foreign investors in the Russian Federation has its exceptions. Thus, there are limitations of the investment activity in the banking and insurance activity fulfilled by the foreigners, as well as in the field of investments into the corporations having strategic importance.

1.3.1 Banking sector

Federal Law «On banks and banking activity» of December 2, 1990 года No 395-1 is specifying additional requirements to the establishment and activity of credit organizations with foreign investments and branch organizations of foreign banks in the Russian Federation. The maximum allowed share (quota) of foreign capital participation in the banking system of the Russian Federation is established in the legislative form in compliance with the Article 18 of the named Federal Law. This quota is calculated by the following formula:

$$Q = \frac{nrc + bc}{ac}, \text{ where}$$

Q-quota of the foreign capital in the banking system of the Russian Federation; nrc – capital of non-residents in the authorized capital of credit organizations; bc – foreign banks branches capital; ac- aggregate capital of all credit organizations registered on the territory of the Russian Federation.

Central bank of the Russian Federation is empowered to prohibit the increase of the authorized capital or the transfer of shares and parts in the authorized capital of credit organizations, in case such activity is resulting in exceeding of the allowed participation share of the foreign capital in the banking system of the Russian Federation.

Nevertheless, the federal law regulating the participation share of the foreign capital in the banking system of the Russian Federation has not been adopted until the present time.

1.3.2 Insurance services sector

The main regulatory act, guiding the sector of insurance services is the Law «On the insurance business organization in the Russian Federation» of November 27, 1992 No 4015-1, establishing the certain limitations in the activity of the insurance organizations through their branch and affiliate companies on the Russian territory.

In compliance with the Article 6 of the named Law the branch organizations of the foreign investors (foreign insurance companies), as well as insurance companies with the foreign investments share in the authorized capital exceeding 49%, shall not be empowered to fulfill the following activity:

- Life insurance;
- Compulsory insurance;
- Compulsory state insurance;

- Property insurance, connected with deliveries and contractual activity for the state purposes;

- Property interests insurance of state and municipal organizations.

Besides, the insurance organization being the branch company to the foreign investor, shall have right to fulfill the insurance activity in the Russian Federation on condition, that the foreign investor has been the insurance company for at least 15 years, and has fulfilled its activity in compliance with the legislation of the incorporating state, and at least for two years has participated in the activity of the insurance organizations, established on the territory of the Russian Federation.

It is important to note, that the limitations indicated above, do not embrace the cases, when the foreign investor is a company from the countries-members of the European Union.

Share (quota) of the foreign capital in the authorized capital of all insurance companies registered in Russia may comprise not more than 25%. When this maximum allowed participation share is reached or exceeded, the insurance supervision body ceases to issue the permission for insurance activity to the branch companies of the foreign insurers and to insurance organizations with the foreign investors share comprising over 49%.

It is necessary to acquire the preliminary permission of the insurance supervision body for the transfer of the shares or parts in the authorized capital of the Russian insurance organizations to the foreign investors and their branch. The increase of the insurance company capital by way of the foreign investors and their branch companies' funds also requires the preliminary permission of the insurance supervision body.

1.3.3 Investments into the companies having strategic importance

Federal Law «On the procedure of foreign investments fulfillment into the companies having strategic importance for the country defense and security of the state» of April 29, 2008 No 57-ФЗ (further – «The Law of the Foreign Investments into the Companies having Strategic Importance»), establishes limitations for the foreign investors in purchase of shares (parts) in the companies having strategic importance for the country defense and security of the state, as well as during any other transactions, resulting in the establishment of control over these companies.

The company having strategic importance for the country defense and security of the state (further – «company having strategic importance»), shall be the limited liability company established in the Russian Federation, additional liability company or the joint stock company fulfilling at least one type of activity having strategic importance. The Law of the Foreign

Investments into the Companies having Strategic Importance indicated forty two types of such activity, which may be arranged into the following groups:

- Activity connected with the nuclear materials or radioactive substances;
- Development, production, distribution, repair, utilization of military technology, arms, weapons and explosives;
- Space activity, aircraft security provision activity, development, production, testing, repair of aircraft technology;
- Natural monopolies activity in the transportation sphere;
- Activity in the sphere of mass media means;
- Development, production, distribution, technical maintenance of cryptographic means;
- Development, production, distribution, determination of electronic devices aimed at the information eavesdropping;
- Natural resources exploration and digging on the resources land plots of federal value, fishing of the water biological resources;
- activity, connected with the application of the contagious diseases agents;
- carrying out of activity aimed at affecting the hydro-meteorological and geophysical processes and phenomena

Limitations for the foreign investor are in the necessity to obtain the preliminary approval of the authorized state body for the following transactions:

- transactions resulting in the right obtained by the foreign investor (a group of investors) to manage over 50% of the voting shares (parts) comprising the authorized capital of the company having strategic importance (except the company using the resources land plots of federal value) and (or) possibility to elect over 50% of the board of directors content (supervision committee), or acquires the right to appoint the sole executive body, or over 50% of the collegial executive body content of such company;
- transactions resulting in the right obtained by the foreign investor (a group of persons) to manage over 10% of the voting shares (parts) comprising the authorized capital of the company having strategic importance (except the company using the resources land plots of federal value) and (or) possibility to elect over 10% of the board of directors content (supervision committee), or acquires the right to appoint the sole executive body, or over 10% of the collegial executive body content of such company;
- transactions aimed at acquisition by the foreign investor (a group of persons) of shares (parts) comprising the authorized capital of the company

having strategic importance and using the resources land plots of federal value, in case the aforesaid foreign investor (group of persons) have right to manage 10% and more of the voting shares (parts) comprising the authorized capital of such company;

- transactions aimed at acquisition by the foreign state, international organization or the one under their control of the right to manage over 25% of the voting shares (parts) comprising the authorized capital of the company having strategic importance (except the company using the resources land plots of federal value);

- transactions aimed at acquisition by the foreign state, international organization or the one under their control of the right to manage over 5% of the voting shares (parts) comprising the authorized capital of the company having strategic importance (except the company using the resources land plots of federal value);

- contracts of managing functions fulfillment by the foreign investor (by the person included in the group of persons) in respect of the company having strategic importance;

- other transactions aimed at the transfer to the foreign investor (group of persons) of the right to determine the decisions of the management bodies of the company having strategic importance, including the conditions of entrepreneurship activity fulfilled by the company.

Foreign investor planning to effect one of the aforesaid transactions or establish control over the company having strategic importance shall be obliged to submit the corresponding appeal into the Federal antimonopoly service (further – «FAS of Russia») of the preliminary coordination of such transaction or an appeal of control establishment coordination. The appeal consideration period shall comprise approximately three months.

The actual decision of the preliminary coordination of the above named transactions is made by the Governmental Committee of the foreign investments in the Russian Federation fulfillment control, headed by the Government Head of the Russian Federation, and acting in compliance with the Resolution of the RF Government of 06.07.2008 No510 «On the Governmental Committee of the foreign investments in the Russian Federation fulfillment control». Preliminary coordination of the transaction or the refusal from such coordination shall be formulated in the FAS of Russia decision on the basis of the Governmental Committee decision.

It is essential, that the issue of the positive decision may be preconditioned by the certain liabilities assignment to the foreign investor (person, included into the group of persons) (for instance, duration prolongation of the contracts in force by the company having strategic

importance, as well as preservation of prices for the manufactured products (rendered services), number of personnel preservation, etc.).

Transaction of the company shares (parts) acquisition having strategic importance, as well as transactions resulting in control over such companies' establishment, committed without preliminary coordination acquisition shall be negligible.

2. Corporate Law

2.1 Forms of commercial activity

Foreign investors may fulfill commercial activity on the territory of the Russian Federation

- by way of export/ import of the goods or services without permanent presence on the territory of the Russian Federation;
- on the basis of the contract of joint activity;
- through the representative office or branch organization of the foreign company;
- through the legal entity established in compliance with the Russian legislation (branch organization, joint venture).

2.2 Legal entities

The Civil Code of the Russian Federation forms the basis of the legal regulation of the legal entities establishment and operation.

The organization shall be construed as a legal entity, in case it has independent assets in its proprietorship, economic control or operation management, and incurs liability with its property, may on its behalf purchase and fulfill proprietary and personal non-proprietary rights, bear liabilities, be the plaintiff and the defendant in the court.

Legal entities	
Commercial organizations <ul style="list-style-type: none">• Follow the deriving of profit as their main goal;• Distribute the gained revenue between the founders;• Empowered to carry out any type of business activity, not prohibited by the law	Non-commercial organizations <ul style="list-style-type: none">• Do not follow the deriving of profit as their main goal;• Do not distribute the gained revenue between the founders;• Empowered to carry out business activity, corresponding to the goals of the company establishment, and solely for the achievement of these goals

2.2.1 Limited liability company (LLC)

2.2.1.1 Legal status

LLC is the company established by one or several persons, its authorized capital is divided into shares. LLC acquires legal capability since its state registration.

Legal status of LLC is regulated by the Civil Code of the Russian Federation and The Law of LLC.

2.2.1.2 Establishment procedure

LLC may be established by one or several persons. But LLC may not have other company consisting in one person as its sole participant.

The establishment of LLC is effected by way of the Constituent meeting, where the founders make the decision of LLC establishment; they elect its management bodies and adopt its Charter.

Apart from that, the founders sign a contract of the company incorporation in writing, it determines the procedure of the joint activity performance of the company establishment, and the company's authorized capital value, the size and nominal value of each founder's share, as well as the size, the procedure and the terms of such shares in the authorized capital payment. In case the LLC has been established by one person, the Company Incorporation Contract is substituted by the Decision of the sole participant regarding the company establishment.

The Company Incorporation Contract is not a document of the company's incorporation. Nevertheless, it serves as a basis used by the Unified State Register of Legal Entities for the purposes of the information entry of each of the founders' share size.

The Constituent document of LLC is a Charter. The Charter must contain the following data:

- Name of the company, its location;
- Contents and competence of the managing bodies of the company;
- Volume of the authorized capital;
- Rights and liabilities of the company participants;
- Procedure and results of the participant's withdrawal from the company;
 - The procedure of the share transfer to the other person;
 - The procedure of documents of the company storage;
 - The procedure of information provision by the company to its participants and to other persons;
- Other information envisaged by the legislation or included into the Charter at the discretion of its founders.

Since its state registration LLC shall keep the list of the company's participants, indicating the information of every participant, his share volume and its repayment, as well as the size of the shares belonging to the company.

The number of LLC participants shall not exceed 50. Otherwise, the LLC shall be obliged to be reorganized into the Open Joint Stock Company.

2.2.1.3 Authorized capital. The shares alienation

Authorized capital of the LLC formed of the investments of its participants. The minimum authorized capital comprises 10 000 rubles. The authorized capital may be repaid by the money, or by the proprietary investments. In case the value of the proprietary investment exceeds 20000 rubles, the independent evaluator shall be invited for evaluation of its cost.

The participant of the Limited Liability Company shall be empowered to sell or otherwise fulfill the alienation (exchange, present) of his share to one or several participants of the company or to the third person, being not the member of the present company.

The consent of the company or its other participants shall not be obligatory for such transaction, unless otherwise has been stipulated by the company's Charter.

Nevertheless, such alienation may be prohibited by the Charter of the company.

Then, the company participants shall have the preemption right of the share (part of the share) purchase by the price of the offer to the third person, or by the price predetermined by the Charter of the company, proportionally to their shares volume. The purchase price of the share (part of the share) predetermined in the Charter, may be fixed in the monetary sum or on the basis of one of the criteria (net assets price of the company, balance value of the company's assets as of the last reported date, net profit of the company and other).

Besides, the Charter may stipulate the company's preemption right to purchase the share (part of the share), in case the other participants failed to use their preemption right. The Charter may stipulate the opportunity to use the preemption right to purchase the part of the total share, offered for sale.

The transaction, aimed at alienation of the share (part of the share), is subject to the notary certification. The Notary public submits the information of the certified transaction to the registration body to reflect alterations in the content of the company participants and new sizes of their shares in the Unified State Register of the Legal Entities.

The Charter of the company may stipulate that the transfer of shares to the assignees of the company participants may be possible only upon the consent of the other participants of the company.

In case the alienation of the share to the third persons is prohibited by the Charter, while the other participants refuse from its purchase, as well as in case of the refusal in the share alienation, or its transfer to the assignees, the company shall be obliged to repay to the participant, or to the assignees, the real value of the share, determined on the basis of the accountancy reports data during the recent period, preceding the day of the participant's address with the corresponding request.

2.2.1.4 Contract of the company participant rights' fulfillment

The LLC participants are entitled to sign the written contract of the company participant rights' fulfillment, which may be concluded both in the process of the company establishment and later.

In compliance with such contract the participants shall be obliged to fulfill their rights in a certain manner, or retain from their fulfillment.

In particular, the participants may establish the obligation to vote in a certain manner at the general meeting of the company participants, coordinate the variant of voting with the other participants, to sell the share or the part of the share by the certain price and/or under the certain conditions, as well as fulfill concurrently other activities, connected with the establishment, operation, reorganization and liquidation of the company.

2.2.1.5 The participant's withdrawal. The participant's expulsion

LLC participant shall be empowered to withdraw from the company by way of the alienation of the share to the company regardless of the other participants' or the company's consent, in case it has been stipulated by the Charter.

The withdrawal of the participants from the LLC, as a result of which not a single participant is left in the LLC, as well as the withdrawal of the sole participant shall not be allowed.

LLC participants with the aggregate value of the shares comprising not less than 10% of the authorized capital, shall be empowered to demand through the court the expulsion of the participant from the LLC, in case he is violating his obligations, or makes impossible the activity of the company or significantly hinders its activity.

In case of the withdrawal or expulsion, the LLC participant is paid the actual value of his share, equal to the part of the net assets value of the company, proportionally to the share value of the participant in the authorized capital of the company.

2.2.1.6 Management bodies

The LLC supreme management body is the general meeting of the company participants. The main decisions (alterations into the Charter of the company, change of the authorized capital value, revenues distribution) and the main rights to the management and control fulfillment (appointment of all other management bodies of the company, approval of the annual reports and accountancy statements, decisions of the audit control fulfillment) are exclusively within the authorities of the general meeting of the participants.

Once a year LLC is obliged to hold the General meeting of the company's participants. All other general meetings of the participants are extraordinary. The Charter may determine the cases, when the holding of the extraordinary General meeting of the company participants shall be necessary. The extraordinary general meeting of the company participants may be held upon the initiative of the sole executive body (director general) and other management bodies of the company, auditor of the company or its participants, holding not less than 10% of the total number of the votes.

The Law on LLC is regulating the procedure of holding of the General meeting of the company's participants in details. The violation of the summoning procedure does not involve any negative legal outcome, in case all participants of LLC have been present at the meeting.

The company participant has the number of votes at the meeting of the company participants, proportionally to his share in the authorized capital of the company. In compliance with the Article 37 of the Law on LLC, a simple majority of votes of the general number of the company participants' votes is necessary for making a decision. The LLC Charter may stipulate the necessity of the larger number of votes. Not less than 2/3 of the votes of the total number of the company's votes are necessary for making the decision of alterations in the Charter of the company and change of the authorized capital value.

The LLC participants can make decisions without holding of the meeting, by way of the extra mural voting. Nevertheless, not all issues can be settled by way of the extra mural voting; for instance, the annual reports and accountancy balances of the company cannot be approved this way.

The LLC Charter may stipulate the formation of the Board of Directors (supervision board) of the company. The Charter may stipulate the decision of the executive bodies' formation and the ahead of time termination of their powers, large transactions of the company's interest fulfillment by the company to the authority of the board of directors (supervision board), as well as the settlement of the other issues.

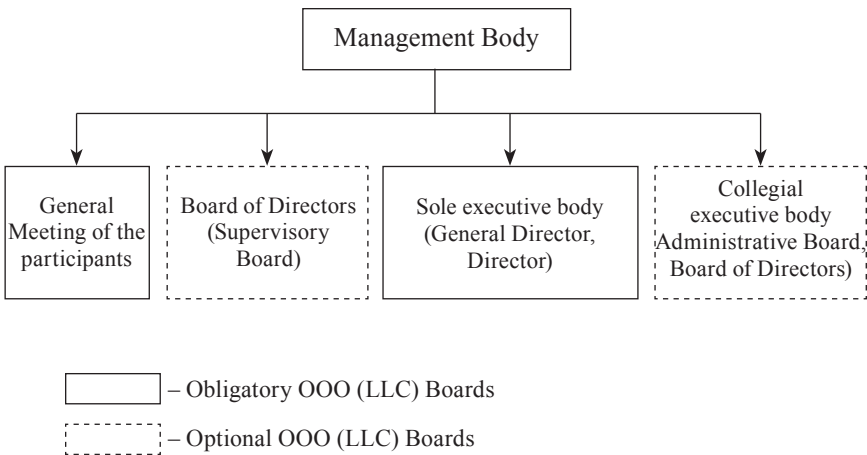
The LLC Charter may stipulate the creation of the auditing committee (election of the auditor). The creation of the auditing committee (election of the auditor) is mandatory for the LLC with the number of participants exceeding 15.

Management of the current activity of the company and settlement of all other issues not included in the authority of the general meeting participants and board of directors (supervision board) of the company is fulfilled by the sole executive body of the company. The sole executive body of the company is acting on behalf of the company; it represents its interests and makes transactions. The sole executive body of the company is usually called the Director General.

The Director General is elected by the General Meeting of the participants or by the Board of Directors (Supervision Board) of the company. The Director General is acting on behalf of the company directly on the basis of the laws and without a special power of attorney. The authorities of the Director General may be limited by the company’s Charter. In case the Director General has exceeded his authorities by the fulfillment of the transaction on behalf of the company, the transaction may be declared void in the court upon the legal action of the company.

The LLC Charter may stipulate the formation of the collegial executive body of the company (Administrative Board, Directorate). Unlike the Director General, the members of the collegial body of the company need to have a special Power of Attorney for the purposes of transactions fulfillment on behalf of the company. The Power of Attorney must be signed by the Director General and certified by the seal of the company.

See below the LLC management bodies’ structure.



2.2.1.7 Responsibility of the company and its participants

LLC is liable by its obligations with all its property. LLC is not liable by the obligations of its participants.

The participants of LLC are not liable by the obligations of the company and bear the risk of losses, connected with the activity of the company within the value of their shares. In case the participants have not repaid the shares totally, they bear the integral liability by the obligations of the company, within the value of the non-repaid part of their shares.

The Law on the LLC stipulates the other cases, when the participants, who due to their share in the authorized capital, or on some other basis, have possibility to determine the decisions made by the company, bear responsibilities together with the company by its obligations. Thus, for example, the parent company, together with the branch organization, is liable by the transactions concluded by the latter in realizations of the материнского общества, as well as bears subsidiary responsibility by the debts of the branch organization in case of its bankruptcy.

Comparison of the main features

1. Participants

The number of the company participants is limited by 50.

In case the indicated number is exceeded, the LLC shall be reorganized within one year period into the Open Joint Stock Company, production cooperative, or shall be liquidated.

The establishment of the company by the sole participant shall be allowed under the condition, that such participant is not a company with the sole participant.

2. Constituent documents/contract of the joint establishment

The constituent document of LLC, subject to the obligatory registration, is the Charter. Agreement of the LLC establishment is not the constituent document of LLC and is not subject to the state registration.

The Contract of the Joint venture establishment may be concluded in the form of the Contract of joint activity, its registration is not required under the general requirements.

3. Liability of the participants (shareholders)/liability in case of the insolvency (bankruptcy)

3.1 Liability of the participants (shareholders)

The participants bear liabilities within the limits of their shares' value.

The participants, not repaying their shares in the authorized capital in full, bear the joint liability by the obligations of the company within the value of the non-repaid part of their shares in the authorized capital of the company.

3.2 Liability of the participants (shareholders) in case of the insolvency (bankruptcy) of the company

In case of the insolvency (bankruptcy) of the company, the participants or other persons, empowered to give such directives to the company, which are mandatory to fulfillment, or otherwise determine its activity, shall bear subsidiary liability by the obligations of the company.

The provision indicated above shall be applied in case, when the insolvency or bankruptcy have occurred by fault of the participants of the company or other persons, empowered to give such directives to the company, which are mandatory to fulfillment, or otherwise determine its activity.

3.3 Liability of the parental company by the obligations of the branch organization

The parental company, which is empowered to give the directives to the branch organization, which are mandatory to it, shall be liable jointly with the branch organization by the transactions, concluded by the latter in fulfillment of such directives.

Those companies shall be considered as the main, which by virtue of the prevailing participation in the authorized capital of the other company, or in compliance with the contract signed between them, or by any other reason have power to determine the decisions, made by the other company.

In case of the insolvency (bankruptcy) of the branch organization at the fault of the main company, the main company shall bear the subsidiary responsibility by the obligations of the branch company by the insufficiency of his property.

4. Structure of the management bodies

4.1 General meeting of the participants

General meeting of the participants is the supreme body of the company management.

The Law on the LLC determines the minimum volume of the General meeting of the participants authorities.

The General meeting of the participants may be granted any other additional authorities by the Charter of the company.

4.2 Supervision Board (the Board of Directors)

The formation of the Supervision Board (Board of Directors) may be envisaged by the Charter of the company, but shall not be obligatory.

The powers of the Supervision Board shall be determined by the Charter in compliance with the Law on LLC.

4.3 The Revision Committee

The General meeting of the participants may appoint the Auditing committee (elect the Auditor) for the purposes of the financial activity of the company control, provided it has been stipulated by the Charter of the company. In the companies with over 15 participants the formation of the Auditing Committee (election of the Auditor) is mandatory.

The functions of the Auditing committee (Auditor) may be performed by the independent auditor.

The independent auditor is appointed by the General meeting of the participants.

In compliance with the general practice, LLC shall not be obliged to publish the statement of its activity.

4.4 Executive bodies of the company

The General meeting of the participants appoints the sole executive body of the company (Director, Executive director etc.), representing the interests of the company. The Charter may stipulate the solution of the executive body appointment issue to transfer to the Supervision Board (Board of Directors).

Authorities and powers of the sole executive body of the company are determined by the Charter of the company and the Contract with him.

In cases stipulated by the Charter, the General meeting of the participants together with the sole executive body of the company may elect the collegial executive body of the company (Directorate, Administrative board).

The sole executive body of the company in this case becomes the Chairman of the collegial executive body. Furthermore, he carries on the fulfillment of the functions of the sole executive body.

5. The requirements regarding the decision making

5.1 The unanimous making of the decision

The following important decisions of the General meeting of the participants are made by the 100% of the votes (unanimously):

- the increase of the authorized capital by way of the additional investments of the participants or taking the new participants into the company;

- reorganization and liquidation of the company;

5. 2 Qualified majority of votes

The following important decisions of the General meeting of the participants are made by the majority of 66,6% (the majority of no less than two thirds of the votes):

- alterations entry into the Charter;
- increase of the authorized capital by way of the additional investments of the participants or by the company's property;
- additional investments into the property of the company without the increase of the authorized capital;
- branch organizations establishment.

The following important decisions of the General meeting of the participants are made by the majority of 100% (unanimously):

- increase of the authorized capital by way of the additional investments of the participants or by the company's property;
- reorganization and liquidation of the company;
- evaluation of the property investments by the establishment of the company;
- evaluation of the additional investments;
- determination of the maximum amount of the participant's share;
- alteration of the procedure of the share distribution, differing from the distribution procedure proportionally to the participants' share in the authorized capital.

5. 3 Simple majority of votes

If the necessity of decision making through the unanimous, or through the qualified majority is not determined directly, the decisions are made through the simple majority of votes (50% + 1). The Charter may stipulate the necessity of the greater number of votes for making of the decisions.

6. Assignment and mortgage of the shares in the authorized capital

6.1 Assignment of the shares

The participants shall have the right to fulfill the alienation of their shares to the other participants of LLC

When the participant alienates his shares to the third persons, the

other participants have the preeminent right of the shares purchase by the price offered to the third person.

The Charter of the company may prohibit the alienation of the shares to the third persons. Nevertheless, the company shall be obliged to purchase the shares of the alienating participant, in case the other participants have refused from purchasing of such shares.

The transaction, aimed at alienation of the share or the part of the share in the authorized capital of the company, is subject to the notary certification.

6.2 Mortgage

Any participant may assign his share to the other participant or the third person as a mortgage (provided, consent of the other participants of the company has been received).

The right to transfer the shares to the third person as a mortgage may be prohibited by the Charter of the company.

The contract of the shares mortgage is subject to the notary certification.

7. Alienation and withdrawal of the participant from the company structure

Any participant shall have right to alienate from the company regardless of the consent of the other participants, if this has been stipulated by the Charter. In case of the participant's alienation, his share is transferred to the company. The participant is repaid the realprice of his share in the monetary form, which is calculated on the basis of the data of the annual accountancy reports.

The alienation of the company participants, resulting in the absence of the single participant in the company, as well as the alienation of the sole participant of the company shall not be allowed.

The withdrawal of the participant from the company structure may be fulfilled on the basis of the court decision in case the participant has violated his obligations, or has significantly hindered the activity of the company. In case of the participant's withdrawal, his share is transferred to the company. The participant is repaid the actual value of his share.

8. The repayment of the shares in the authorized capital by its establishment. Alternative means of financing.

The value of the authorized capital of LLC at present shall comprise not less than 10 000 rubles (near 250 Euro at present). This condition refers also to the foreign participants.

As of the moment of the state registration of the company, not less than 50% of the authorized capital shall be repaid.

During one year upon the company's registration, the authorized capital of the LLC shall be totally repaid, otherwise the authorized capital is subject to the decrease, or the company shall be liquidated.

The repayment of the shares in the authorized capital of the LLC may be fulfilled by the money or other things and proprietary rights, having monetary evaluation.

Evaluation of the proprietary investments is fulfilled by the General meeting of the participants.

In case the value of the proprietary investment exceeds 20.000rubles (at present near 500 Euro), such investment shall be subject to evaluation on the part of the independent evaluator.

9. The increase and the decrease of the authorized capital

9.1 The increase

The increase of the authorized capital shall be allowed only upon its full repayment.

The increase of the authorized capital shall be fulfilled by three different means:

- At the company's expense;
- At the expense of the additional investments of the participants;
- At the expense of the third persons taken into the company.

The last provision may be excluded from the Charter of the company.

9.2 Decrease of the capital

The authorized capital may be decreased. The authorized capital may be decreased. In the certain cases the mandatory decrease of the authorized capital is stipulated by the law.

The authorized capital may be decreased to the sum, not reaching the minimum size determined by the law.

10. Additional responsibilities regarding the registration of alterations and submitted information

In case one of the participants is altered, the alteration of the Charter is not required, as a rule.

Alterations of the Charter, in particular due to the increase or decrease of the authorized capital, branch organization establishment, etc. are subject to registration in the authorized body of the state power.

2.3 Registration of the legal entities

Federal law «On state registration of the legal entities and private entrepreneurs» of August 8, 2001 No 129-ФЗ (further – «Law On Registration») regulates the procedure of the established legal entities registration. At present their establishment is fulfilled on the basis of the «one window principle», according to which it is sufficient to submit documents into one state body for the purposes of registration fulfillment of the properly functioning legal entity. Registration of the legal entity is fulfilled within the following procedure: the company is registered as a legal entity in the taxation bodies and simultaneously it is registered in the other state bodies and off-budget funds.

Registration of the legal entity means its entry by the authorized territorial taxation body into the Unified state register of the legal entities. The taxation body by place of the established legal entity location shall be considered as authorized.

In compliance with the Article 12 of the Law On Registration, it is necessary to submit the following documents for registration of the legal entities:

- Application of state registration in compliance with the form, determined by the Government of the Russian Federation. Signature of the person, submitting the application shall be certified by the notary. The application may be signed by the founder – natural person or the head of the incorporating organization – of the legal entity;
- Decision of the legal entity establishment in the form of the founders' meeting minutes or the decision of the sole founder;
- The constituent documents of the established legal entity;
- Transcript from the register of the foreign legal entities of the country of the founder's origin, or any other certificate, certifying the legal status of the founder – foreign legal entity;
- Document of the state dues payment for registration of the legal entity in the amount of 4 000 rubles.

In compliance with the Article 8 of the Law On Registration, the state registration of the legal entities is fulfilled within 5 working days since the submitting of the documents necessary for registration into the taxation body.

Upon registration fulfillment, the legal entity is given the Certificate of its state registration. Simultaneously the registration body gives the legal entity the documents, certifying its registration in the other state bodies and off-budget funds.

In case the volume of the assets or the total revenues of the founders of the legal entity exceeds the amounts determined by the legislation of the Russian Federation, the establishment of the legal entity shall demand the acquirement of the preliminary consent or the subsequent notification of the Russian anti-monopoly bodies.

2.4. Representative offices

2.4.1 Status of the representative office under the Russian legislation.

The Representative office does not have the status of the legal entity; it is the subdivision of the foreign legal entity in Russia, which is representing its interests and fulfills their protection.

The legal basis of the Representative office establishment and operation is the Resolution of the Council of Ministers of the USSR «On the Regulations establishment regarding the procedure of establishment and operation in the USSR of the Representative offices of the foreign companies, banks and organizations» of November 30, 1989 No 1074. Apart from this, the establishment and operation of the foreign companies, banks and other credit organizations' Representative offices is regulated by the provisions of the Central Bank of the Russian Federation Order of October 7, 1997 No 02-437.

The Representative office acts on behalf of its foreign company, and fulfills its activity in compliance with the Russian legislation. The issues of the revenues taxation of foreign companies' Representative offices are regulated by the Russian legislation, as well as by the Agreements of double taxation avoidance, signed by the Russian Federation.

2.4.2 The opening (accreditation) of the Representative office

In compliance with the Russian legislation, the Representative office of the foreign legal entity in Russia may be opened only upon the permission of the accrediting body. In particular, the accreditation availability shall be necessary for the opening of the accounts in the Russian banks, renting of the premises and hiring of the staff.

The Representative office may be accredited under the following organizations:

- Ministry of economic development of the Russian Federation;
- Authorized specialized ministry;
- Chamber of Commerce and Industry of the Russian Federation;

- State Registration Chamber under the Ministry of Justice of the Russian Federation.

As a rule, the State Registration Chamber is given preference, as it keeps the Unified State Register of the representative offices of the foreign companies, accredited on the territory of the Russian Federation. Thus, the accreditation of the company is fulfilled together with its entry into the Unified Register.

It is necessary to submit the following documents to the registration body for accreditation of the Representative office:

- Application for issuing of the Representative office opening permit;
- Transcript from the Commercial Register or any other document, certifying the fact of the foreign legal entity registration in the country of its location;
- Charter of the foreign legal entity;
- Letter of Recommendation from the bank, servicing the foreign legal entity, with confirmation of its solvency;
- The Decision of the foreign legal entity of the Representative office opening in Russia;
- Regulation of the Representative office;
- Power of Attorney to the Head of the Representative office in Russia, certifying his relevant authorities;
- Power of Attorney for representation of the foreign legal entity's interests regarding the issues of the Representative office opening;
- The document confirming the address of the Representative office of the territory of Russia (for example, the contract of the premises rent);
- Letter of recommendation of minimum two Russian business partners of the foreign legal entity;
- Data card of the opened Representative office.

All documents formulated abroad shall be legalized or certified with Apostil, as well as have the notarized translation into the Russian language.

The Permission for opening of the Representative office is issued by the registration body for the period of 1,2, or 3 years with possible prolongation of the period (also for 1,2,or 3 years) on the basis of the application of the foreign legal entity.

In case the foreign legal entity has not addressed duly to the registration body with the application to prolong the Representative office accreditation period, then upon its expiry the Representative office shall be considered as having terminated its activity.

2.4.3 Management of the Representative office activity

Management of the Representative office activity is fulfilled by the Head of the Representative office, acting on the basis of the Power of Attorney, issued by the foreign legal entity.

It is notable, that the authorities of the Representative office's head shall be certified only by the Power of Attorney, and cannot be based on the provisions, contained in the Regulation of the Representative office or the constituent documents of the foreign legal entity.

The Head of the Representative office is empowered to assign all or the part of its authorities to the other person, if such possibility has been stipulated by the provisions of the Power of Attorney, issued to the Head.

2.4.4 The main documents of the Representative office

Relationships between the Representative office and the legal entity opening it are basing on the following documents:

- Constituent documents of the foreign legal entity;
- Power of Attorney, issued to the Head of the Representative office in compliance with the requirements, specified in the previous item;
 - Regulations of the Representative office, which must contain the following obligatory divisions:
 - Status of the Representative office in the hierarchy of the foreign legal entity;
 - Documents, guiding the activity of the Representative office;
 - Place of the Representative office location;
 - Aims of the Representative office opening and types of its activity;
 - Management bodies of the Representative office (authorities of the Representative office head);
 - Property of the Representative office, and the procedure of its ownership and management;
 - Employment procedure of the permanent and temporary staff for the Representative office;
 - Representative office reporting procedure to the authorized bodies of the Russian Federation;
 - Representative office activity cessation procedure.

2.4.5 Foreign employees employment

All foreign employees of the Representative office and members of their families, if necessary, shall be personally accredited in the re-

gistration body. Personal accreditation is granted within the limits of the permitted quantity of the foreign employees, indicated in the Permission for the Representative office opening. The number of foreign employees, as a rule, shall not exceed 5 persons, and may be increased basing on good grounds (for example, the singular qualification of the foreign specialists, their unique work experience, etc.).

Russian citizens undergo accreditation only in case they are appointed the Head of the Representative office. The term of the personal accreditation is limited by the period of the Permission validity for the Representative office opening. Personal accreditation of the foreign citizens serves as a confirmation for their official status of the Representative office employees and provides their right to work in the Russian Federation. Besides, the accredited employees of the Representative office and member of their families may be granted services of passport and visa support by the registration body.

The procedure of the foreign citizens labor activity fulfillment in Russia is regulated by the Federal Law «On legal status of the foreign citizens in the Russian Federation» of July 25, 2002 No 115-ФЗ, under which the employer shall have right to employ the foreign workers only upon availability of the Permit for the foreign workers attraction and employment, and the foreign citizen shall have right to fulfill the labor activity in Russia only if he has the Work permit. This law means that the employee may be any natural person or legal entity, including any foreign legal entity, having the Representative office on the territory of the Russian Federation.

Thus, in compliance with the legislation in force in the Russian Federation there is a dual permission procedure established for the Representative offices of the foreign legal entities at present: on the one part, there is an obligation of the personal accreditation stipulated for the foreign employees of the Representative office, on the other part, the foreign legal entities are obliged to make the Work permits for their foreign employees of the Representative office in Russia.

2.5 Branch organizations

Federal Law «On foreign investments in the Russian Federation» of July 9, 1999 No 160-ФЗ, stipulates the opportunity of the foreign legal entities subdivisions establishment in Russia in the form of the branch organizations. The branch organization is a separate subdivision of the legal entity, located beyond the place of its location and fulfilling all

its functions or their part, including the function of the Representative office.

2.5.1 Status of the branch organization

The Civil Code of the Russian Federation and the Federal Law «On foreign investments in the Russian Federation» of July 9, 1999 No 160-ΦЗ, being the legal basis of the branch organizations' activity, reflect the main principal difference between the branch organizations and representative offices: the branch organization of the legal entity established on the territory of the Russian Federation, is fulfilling all its functions or their part, including the function of the Representative office, whereas the Representative office fulfills exceptionally the representation activity.

The branch organization establishment is expedient in the situation, when the foreign legal entity is planning the fulfillment of the active commercial activity in the Russian Federation.

It should be noted, that the Regulations of the branch organization must indicate the contents, volume and terms of the property investment, transferred as the investment into the main funds of the branch organization. The evaluation of the property transferred to the branch organization is fulfilled by the legal entity on the basis of the internal or world prices and is indicated in the Regulations of the branch organization in the ruble equivalent.

2.5.2 Accreditation of the branch organization

Any essential differences between the procedure of the branch organizations and the representative offices opening are failing at present, including the documents necessary for it.

The Permit for the branch organization opening is issued by the State Registration Chamber for the period of 1, 2, 3 or 5 years with the possible prolongation of the period (for 1, 2, 3 or 5 years as well) on the basis of the application of the foreign legal entity.

The total issuance period of the Permit for the branch organization opening and the Certificate of Entry into the State Register for the branch organization accreditation or prolongation of accreditation comprises 21 working days. The express issuance comprises 7 working days.

See below the comparative table of the basic characteristics of branch organizations (representative offices) of the foreign companies and LLC.

1. Legal status

Representative office/branch organization	Affiliate company (Limited Liability Company under the Russian Federation legislation)
Representative office/branch organization, not being the independent legal entity, represents the independent subdivision of the foreign legal entity (parental organization) in the Russian Federation.	The affiliate company is the independent legal entity, established under the legislation of the Russian Federation.

2.The responsibility of the parental organization/main company

Representative office/branch organization	The affiliate company (Limited Liability Company under the legislation of the Russian Federation)
The parental company is liable in the total amount for any activities and by any obligations of the representative office/branch organization on the territory of the Russian Federation.	<p>The main company, as a rule, is not liable by the obligations of the affiliate company. The main company bears the risks connected with the losses of the company only in the amount of its share value in the authorized capital of the affiliate company. Exclusion: the main company is liable jointly with the affiliate company by the transactions concluded by the latter in fulfillment of the instructions of the main company, mandatory for it.</p> <p>In case of insolvency (bankruptcy) of the affiliate company at the fault of the main company, the latter will bear the subsidiary responsibility by its obligations.</p>

3. TheActivity

Representative office/branch organization	The affiliate company (Limited Liability Company under the legislation of the Russian Federation)
<p>In compliance with the norms of the Russian legislation the Representative office functions are limited by the representation of the interests of the parental organization and fulfillment of their protection.</p> <p>The branch organization fulfills all functions of the parental company or their part on the territory of the Russian Federation.</p> <p>However, the functions of the independent subdivision, located on the territory of the Russian Federation, are considerably limited (for example, the foreign company cannot act as a customs applicant by the goods import).</p>	The affiliate company is empowered to fulfill any type of activity, not prohibited by the legislation. The company may fulfill the separate types of activity, specified in the list of the Federal law of the Russian Federation, only basing on the special Permit (License).

4. Employees

Representative office/branch organization	The affiliate company (Limited Liability Company under the legislation of the Russian Federation)
<p>The number of foreign employees, who is empowered to fulfill the labor activity in the Representative office/branch organization, is determined in the process of the Representative office/branch organization accreditation.</p> <p>As a rule, this number shall not exceed 5 persons; however on good grounds, as well as upon submitting a special application and payment of the corresponding tariffs for accreditation of the additional foreign employees, the above named limit may be increased.</p> <p>Such limitation applied during the Representative office/branch organization staff employment shall not extend to the Russian employees.</p>	<p>Unlike Representative offices/branch organizations, the limitations regarding the number of foreign employees do not extend to the Russian legal entities (companies).</p> <p>The company shall annually apply for the opportunity of staff number employment corresponding to the labor activity, which is necessary for the company within the frames of the so called quota. In case the foreign personnel is employed for work in the affiliate company, application shall be submitted in the federal migration body (Russian Federal Migration Service) of the Permit issuance to the company for attraction and employment of foreign workers, as well as of Personal Work Permits issue to the foreign workers.</p>

Foreign employees are subject to further registration (accreditation) in the corresponding registration body for the period of the Representative office/branch organization accreditation. As the legislation does not stipulate any exclusion for the Representative office/branch organization employees regarding their work on the territory of the Russian Federation, they will need a Work Permit for the fulfillment of their labor activity here.

5. Financing

Representative office/branch organization	The affiliate company (Limited Liability Company under the legislation of the Russian Federation)
Monetary funds, transferred by the parental organization to the Representative office/branch organization account for the purposes of financing, shall not be the object of taxation on the territory of the Russian Federation. Currency legislation does not envisage any limitations herewith as well.	Affiliate organization financing may be fulfilled, as a rule, through the additional investments into the authorized capital, granting credit or through the investments into the property of the company. Different judicial and taxation aspects of the committed transactions shall be taken into account as well.

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3. Legal regulation of the relationships in the field of real estate

3.1 General characteristics

Legal regulation base, necessary for provision of stable and effective development of the real estate market, has been created and is quickly developing in Russia.

The main laws, regulating the real estate property turnover in Russia, are the following:

- Constitution of the Russian Federation;
- Civil Code of the Russian Federation;
- Land Code of the Russian Federation;
- Forest Code of the Russian Federation;
- Town planning Code of the Russian Federation;
- Federal law of July 21, 1997 No 122-ФЗ «On State Registration of the rights to the real estate property and transactions with it»;
- Federal law of July 24, 2002 No 101-ФЗ «On the agricultural purpose lands turnover»;
- Federal law of July 21, 2005 No 115-ФЗ «On concession agreements» of July 21, 2005 No 115-ФЗ;
- Federal law of July 16, 1998 No 102-ФЗ «On hypothec (real estate mortgage)»;
- Federal law of December 30, 2004 No 214-ФЗ «On participation in the shared construction of multifamily dwelling houses and other objects of real estate, and on the alterations entry into some legislative acts of the Russian Federation»;

- Federal law «On the state cadastre of the real estate» of July 24, 2007 No 221 –Ф3 and others.

In compliance with the Constitution of the Russian Federation, the Land legislation belongs to the field of the joint jurisdiction of the Russian Federation and the constituent entities of the Russian Federation. Thus, the Republic of Tatarstan has adopted the Land Code of the Republic of Tatarstan of July 10, 1998No 1736.

The state system of real estate objects registration, rights to it and transactions with it is in force in Russia at present. The current practice of the court shows the recent increase of the judicial protection efficiency of the rights and legal interests of the property owners and investors on the real estate market.

On the whole, the existing system of legal regulation in Russia corresponds to the demands of the developed market of the real estate. Here one must remember, that there is a number of peculiarities of legal regulation characteristic of Russia. Thus, in Russia there still exist the separate right to the property of the building and the right to the property of the land plot, where the building is located.

The following traditional types of right to the real estate are recognized in Russia:

- Right to the property;
- Right to the rent;
- Right to the mortgage;
- Servitudes.

Besides, there are the following rights, not typical for the other countries:

- Right to the permanent (unlimited) use of the land plot;
- Right to the life time inherited ownership of the land plot;
- Right to the free time limited ownership of the land plot.

It should be mentioned that there is a number of limitations established in Russia in respect of the rights of the foreign legal entities and natural persons to the land. In separate cases the limitations are valid in respect of the Russian legal entities, in case their authorized capital includes the shares belonging to the foreign persons.

3.2 State recording of the real estate property and registration of the rights to it

The state recording system of the real estate objects is operating at present in Russia together with the state recording system of rights to the

real estate property and transactions with it. Nevertheless, the legislation stipulates the substantial alteration of the current procedure by way of amalgamation of the indicated recording systems in the closest future.

The land plots and other real estate objects recording procedures amalgamation is near completion at present within the frames of the first stage of reformation by way of the Unified State Cadastre of real estate introduction – classified corpus of information involving all real estate objects registered on the territory of Russia.

The second stage stipulates the development of the unified federal information system, involving not only the data of the real estate objects, but also of the rights to the real estate and transactions with it.

3.2.1 State registration of the land plots

Land plots in Russia are subject to the state cadastre recording. Transactions with the land plots, not having undergone the state cadastre record, shall not be allowed.

Within the procedure of the cadastre recording, information of the borders and area of the land plot is entered into the State Cadastre, as well as its registration number, buildings and structures located on its territory, and the unique characteristics of such land plot. The cadastre recording results in formulation of Cadastre passport of the land plot. It is mandatory to submit this passport during the state registration of rights to the land plots and transactions with them.

State cadastre recording of the land plots is fulfilled by the territorial bodies of the Federal Service of state registration, cadastre and cartography (further «Rosreestr»- Russian Register) in place of land plots location. The procedure of state cadastre recording has been regulated in details by the Federal law of July 24, 2007 No 221-ФЗ «On State Cadastre of Real Estate».

3.2.2 State recording of the capital construction objects

State recording of buildings, constructions, premises and objects of unfinished construction (together referred to as the objects of capital construction) is fulfilled by way of the technical registration of the indicated objects by the results of their technical inventory.

Technical registration is aimed at the individualization of the real estate objects (description, technical characteristics determination, and assignation of cadastre numbers). The result of the technical registration is the formulation of the cadastre and technical passports of the real estate

object. The indicated documents contain information of the main parameters of the real estate object (address, area, cadastre number, purpose, number of floors, etc.), as well as its plan. Cadastre passport contains information of the real estate object, necessary for the state registration of rights to it and transactions with it. It is mandatory to submit the cadastre passport to the registration body for state registration. Technical passport contains more detailed, as compared to the cadastre passport, information of the technical characteristics of the real estate object.

When getting acquainted with the cadastre or technical passport of the real estate object the investor must pay special attention to the purpose of the object, that is to find out whether the object is a residential or a non-residential property. It is important to know, that it is prohibited to use the residential premises for commercial activity in Russia (for example, for offices, shops, etc.). Alongside with that, there is an opportunity of the residential premises transference into the non-residential ones. It is possible with the special permission of the local power bodies.

In case of the technical characteristics of the real estate object alteration resulting from the restructuring, reconstruction, alteration of the level of engineering improvement, etc., it is necessary to depict the occurred alterations in the cadastre and technical passports.

Nevertheless, it is expected that since January 1, 2013 the state registration system of capital construction objects will be changed totally and will become similar to the existing procedure of the land plots cadastre registration.

3.2.3 State registration of rights to the real estate property

The existing system of state registration of rights to the real estate property in Russia is established by the Federal Law of July 21, 1997 No 122-ФЗ «On state registration of rights to the real estate property and transaction with it» (further – «The Law on the state registration of rights to the real estate property»).

As per the general rule, the rights to the real estate property and transaction with it are subject to the mandatory state registration in the Unified State Register of rights to the real estate property and transactions with it. State registration is a legal action of approval and confirmation by the state of the rights to the real estate property.

The exception from the general rule is the contracts of the real estate lease, but only in cases if they are established for the period of less than 1 year. Apart from that, the rights to the real estate property are approved without state registration, in case they have occurred prior to the coming

into force of the Law of state registration of rights to the real estate property, that is before January 31, 1998.

State registration of right to the real estate objects and transactions with it is effected at the place of their location by the territorial subdivisions (Administrations) of the Rosreestr (Russian register). The registration procedure, necessary documents, as well as other procedure issues are determined in the Law on State Registration of rights to the real estate property.

It is important for the investor to know, that the fact of the real estate property state registration is not the absolute guarantee of the rights and interests of the investor protection. State registration of the rights to real estate property may be annulled, in case of the legal act or contract, being the basis of the rights registration, voidance recognition. Thus, the prerequisite of any transaction with the real estate in Russia is the legal expertise of the rights purchased by the investor, fulfilled by the independent experts.

3.3 Purchase of the rights to the real estate objects

3.3.1 Obtaining of the rights to the land plots

Rights to the land plots may be obtained from the individual persons (legal and natural), as well as from the bodies of state power and local self-government. In any case, it is important for the investor to know, who is the owner of the land plot and what authorities has the person intending to transfer to the investor the rights to the land plot.

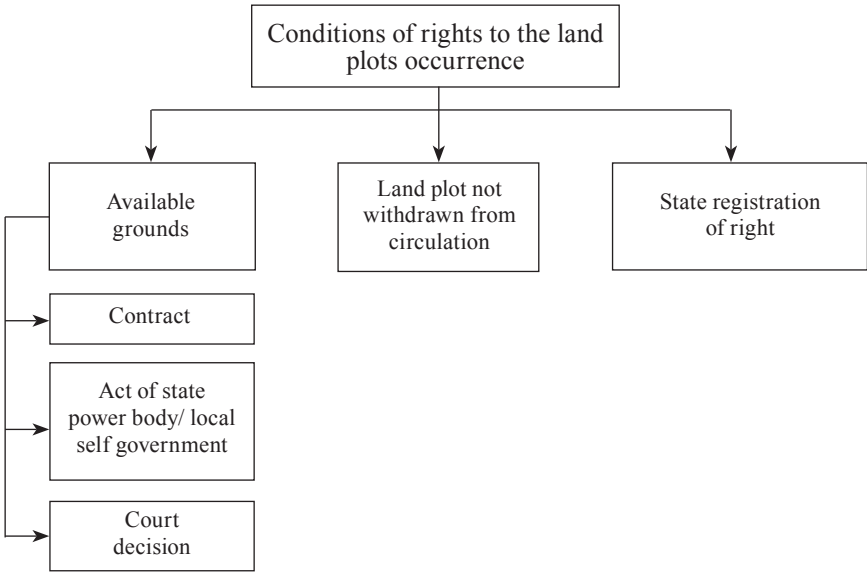
The volume of authorities belonging to the right owners is determined on the basis of the entitling documents. State power and local self government bodies' acts, certificates of state registration of rights, contracts, etc. may serve as the documents submitted to the investor. Thorough legal expertise of such documents will allow the investor to get the necessary information of the rights to the land plot, which he may obtain.

The object of right may be only the land plots, the borders of which have been determined in compliance with the legislation in force, and which the has undergone the cadastral recording.

The right to the land plot may occur on different grounds, for example from the contracts, state power and local self government bodies' acts, judicial awards, etc.

The right to the land plot may occur only upon its state registration in the Unified State Register of rights to the real estate property and transactions with it, except the right of the rent for the period of less than 1 year.

The rights may be obtained only for the land plots, which have not been withdrawn from circulation. The Land Code of the Russian Federation determines the close list of the land plots withdrawn from circulation. In particular, those are the land plots of the state natural reservations and national parks, as well as the lands locating the objects providing the state security and defense.

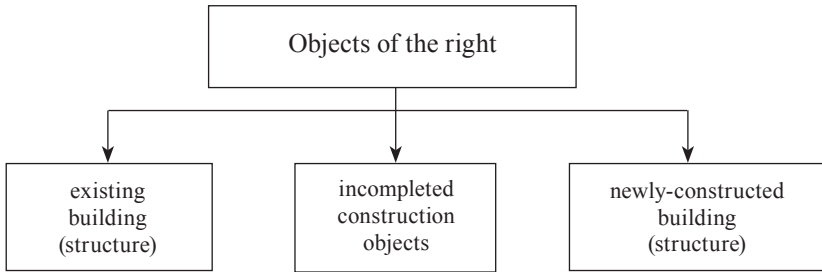


It is noteworthy, that in case there are buildings (constructions) on the land plot belonging to its owner, such land plot shall not be allowed for purchase without the buildings (constructions) located on its territory.

While choosing the land plot, the investor should attentively study its legal status. In particular, it is necessary to determine, which category of land, out of the seven determined by the Land Code of the Russian Federation, the land plot belongs to. It is necessary to clear out as well, which territorial zone the land plot is allocated to in compliance with the rules of land use and housing development, as well as what type of the permitted use it has in compliance with the town-planning regulations.

One should also remember that the owners of rights to the land plots shall use them according to their designated purpose, belonging to the definite category of lands and permitted use. The Law envisages the administrative liability for violation of the determined rules.

3.3.2 Obtaining of rights to the buildings and constructions



3.3.2.1 Obtaining of the existing building (structure)

In case of obtaining the already existing building (structure), it is important to check its status. The investor should know, whether the building is a dwelling or non-dwelling house, and whether it has a status of the historical monument etc.

These characteristics influence the possibility of the investor of the further operation of the building (structure).

Obtaining the right of property to the building (structure), the investor should know, that simultaneously he is obtaining the certain rights in respect of the land plot locating his building (structure):

- In case the building (structure) as well as the land plot, obtained by the investor, belong to one person, then, as per the general rule, the land plot shall be sold to the investor together with the building (structure).

- If the land plot, locating the building (structure) being of the investor's interest, does not belong to the owner of this building (structure), the investor shall have right to demand the transference of such rights to the land plot, which were obtained by the previous owner of the building (structure). In case the land plot is sold, the owner of the building (structure) shall have the preminent right to its purchase.

3.3.2.2 Obtaining of the unfinished building (structure)

Building (structure) under the process of construction or reconstruction may be the subject of transactions. The rights to such object may be entered into the Unified state register of rights to the real estate property and transactions with it under the definite conditions.

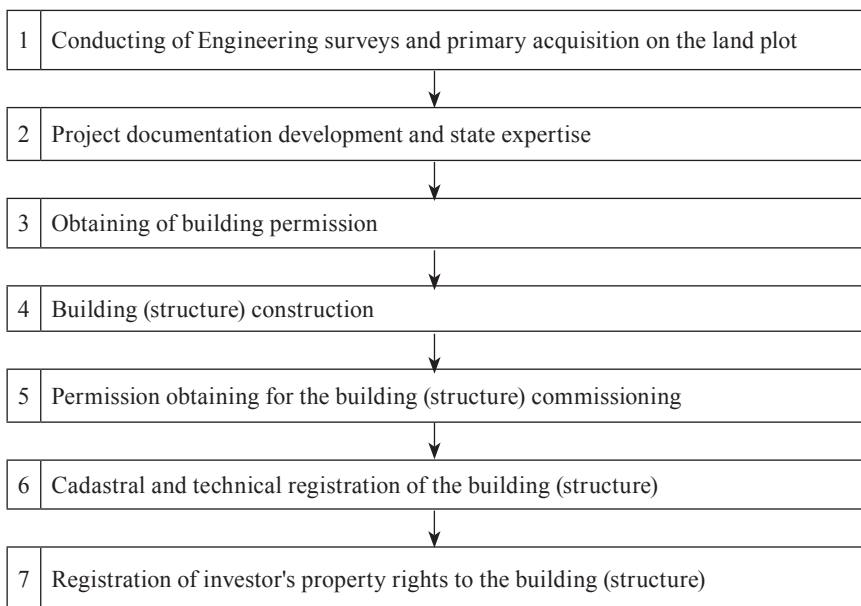
In case of obtaining the building (structure) having the status of the unfinished one, it is important to check the availability of rights to the land plot and the type of the permitted use of the land plot locating the construction, as well as the availability of the permit to the construction

of the object of the investor's interest, project documentation, documents, containing the description of the construction object, other initial data, which could provide the evidence to the investor of the legitimacy of the construction process.

3.3.2.3 Construction of the building (structure)

For the purposes of the new building (structure) construction the investor will need to obtain the rights to the respective land plot. While choosing the land plot, one should first of all check, what buildings (structures) construction is possible on the definite plot in compliance with the provisions of the Land, town planning and ecological legislation.

The obtaining of rights to the newly constructed building (structure) supposes the fulfillment of the following main stages:



The fulfillment by the investor of all stages listed above is the significant prerequisite of the rights obtaining in respect of the newly constructed building (structure).

3.3.3 Limitation of rights of the foreign persons

In compliance with the general rule, foreign citizens, legal entities, as well as the Russian legal entities having shares in their authorized capital

belonging to the foreigners, shall have right to obtain the same rights to the land plots as the Russian citizens and legal entities without the foreign participants.

The exclusions from the rule are the plots of agricultural purpose. Foreign natural persons and legal entities, as well as the Russian legal entities with foreign persons' participation in their authorized capital exceeding 50%, shall be empowered to own the land plots of agricultural purpose only on the right of the lease.

Besides, in compliance with the Land Code of the Russian Federation, foreign persons shall not own the land plots on the basis of the a right to ownership, if they are located on the borderline territories, the list of latter being established by the President of the Russian Federation; as well as on the other specially nominated territories. The list of such territories is adopted by the Decree No26 of the RF President of January 09, 2011.

Limitations in respect of the rights obtaining to the buildings (structures) for the foreign natural persons and legal entities, as well as for the Russian legal entities with the foreign participation have not been established.

3.4 Real estate property mortgage

The real estate property in Russia may be the object of the mortgage (hypothec) as the means of collateral fulfillment both of the owner of the real estate property, and of the third persons. The most popular case is the mortgage of the real estate property in connection with the credit or loan procurement.

The mortgage (hypothec) procedure of the real estate property is regulated by the Civil Code of the Russian Federation and the Federal Law No 102-ФЗ «On Hypothec (real estate mortgage)» of July 16, 1998.

The mortgage occurs in virtue of the contract between the pledger and the pledgee. The contract of the mortgage shall indicate the objects of the mortgage and its evaluation, substance, volume and terms of the collateral fulfillment. The mortgage contract shall be concluded in writing and registered in the Unified state register of rights to the real estate property and transactions with it. The contract shall be considered concluded and shall come into force since the moment of its state registration.

Hypothec of the building (structure) shall be permitted only together with the hypothec, fulfilled along the same contract, of the land plot locating this building (structure), or the right to the rent of the plot belonging to the pledger.

As per the general rule, foreclosure of the mortgage object in case of the main obligation non-fulfillment shall be effected within the court procedure. The foreclosure of the pledged property without legal action (within the extra-judicial procedure) shall be allowed on the basis of the agreement between the pledger and the pledgee, which may be included into the mortgage contract or concluded in the form of the separate contract, subject to availability of the pledger's consent, certified by the notary public, to the extra-judicial procedure of the foreclosure.

3.5 Concession agreements

Investment activity fulfillment within the frames of the concession agreements is regulated in Russia by the Federal Law No 115-Φ3 of July 21, 2005 «On concession agreements» (further – «The Law on Concession Agreements»). The Law on Concession Agreements is aimed at the attraction of additional private investments into the Russian economy and provision of the effective operation of the state property.

The term Concession agreement shall be construed as the contract between the investor (concessioner) and the Russian Federation, the Russian Federation entity or the municipal entity (concession provider). Under such agreement the concessioner undertakes at his own expense to create or reconstruct the property determined by the Concession agreement (real estate property or movable property and real estate property, which are technologically connected with each other and are assigned for the activity stipulated by the Concession agreement), right of ownership of which belongs to or will belong to the concession provider, fulfill the operation of the property; and the concession provider undertakes to grant to the concessioner the rights to ownership and operation of such property.

The Law on concession agreements contains the full list of property types, which may be the object of the concession agreement. It includes the real estate property withdrawn from the civil circulation and limited in circulation, as well as property, which may be only in state or municipal property, including the following:

- Motorways and engineering structures of transportation infrastructure;
- Objects of pipeline transportation;
- Objects of the production and engineering infrastructure of airports;
- Objects of railway transportation;
- Objects of the sea and river ports;

- Objects of health care, including those assigned to the health resort treatment;
- Objects of education, culture and sport, as well as objects used for the people recreation and tourism;
- Objects of the municipal infrastructure system;
- Objects of underground and other transportation of common use.

Products and revenues, acquired by the concessioner as a result of the activity fulfillment, stipulated by the Concession agreement, remain in the ownership of the concessioner. The same rule is established in respect of the property, created or purchased by the concessioner in the process of the Concession agreement fulfillment and not being the object of the Concession agreement.

The period of the Concession agreement validity is established with respect of the Concession agreement object creation (reconstruction) term, volume of investments into its creation and their repayment period, as well as other obligations of the concessioner under the Concession agreement.

The Concession agreement stipulates the repayment by the concessioner of the commission sum to the concession provider within the period of the use (operation) of the object of the Concession agreement. The concession fee may be established in the fixed amount in the form of periodical or lump sum payments entered into the respective budget, or in the form of the share of the production (revenues), acquired by the concessioner as a result of the concession activity fulfillment. In some cases the concession fee may not be stipulated by the Concession agreement.

The Concession agreement is concluded in compliance with the standard procedure through the tender (open or close) for the right to conclude the Concession agreement. The forms of the standard Concession agreement in respect of the different objects are adopted by the Russian Federation Government.

The Law on Concession agreements stipulates the number of guarantees to the investors in their activity fulfillment, envisaged by the Concession agreement, including the reimbursement of losses, incurred through the illegal activity of the state bodies and local self government bodies; equality of the investors' rights (including the foreign entities); Concession agreement alteration, in case within its validity term the legislation and regulatory legal acts of the local self government bodies establish any norms worsening the concessioner's condition, so that he loses the significant part of those, which he has been empowered to plan for by the conclusion of the Concession agreement (the procedure of such alterations entry is stipulated by the Concession agreement).

3.6 Participation in the shared construction

The subject of the shared construction participation contracts is the financing of the shared construction object by the participants of the shared construction (further – investors), resulting in the right to demand the ownership of the respective part of the object of the real estate upon termination of its construction.

The investors' rights protection guarantees, their legal interests and property are determined by the Federal Law No 214-ФЗ of December 30, 2004 «On participation in the shared construction of multi-family dwelling houses and other objects of real estate, and on alteration entry in some legislative acts of the Russian Federation « (further – «The Law on the shared construction»), establishing a number of mandatory requirements both to the developers and to the contract of participation in the shared construction.

The Law on the shared construction is subject to the obligatory application in case the citizens' funds are being involved for the construction of the multi-family dwelling house. The validity of the Law shall not be extended to the relationships of the legal entities and private entrepreneurs connected with the investment activity of the real estate property objects construction and not basing on the contract of participation in the shared construction.

In compliance with the Law on the shared construction, the legal entities may act as the developer, which is the person attracting monetary funds for the purposes of construction, on condition of their having a land plot in the ownership or on leasehold basis, as well as the permit for construction in the indicated land plot.

The developer undertakes, using his own resources and (or) attracting other persons, to construct the real estate object, and upon the receipt of the permit to put it into operation, to transfer the respective part of the object to the investor, having repaid the sum stipulated by the contract.

The Contract of participation in the shared construction is concluded in writing and is subject to the state registration in the Unified State register of rights to the real estate property and transactions with it. The Law on the shared construction establishes a number of the mandatory conditions, which shall be reflected in the Contract of participation in the shared construction.

The fulfillment by the developer of his obligations under the contract of participation in the shared construction is secured against a real estate mortgage (hypothec) or bank guarantee.

The Permit for the object commissioning (to be submitted by the developer to the bodies fulfilling the state registration of rights to the real estate property and transactions with it not later than 10 working days upon the receipt of such permit) and the acceptance-delivery act, signed by the developer and the investor, shall serve the basis for the state registration of the right to ownership by the investor of the part of the real estate object upon its construction termination.

Useful contacts in the Republic of Tatarstan

Federal Service of State Registration, Cadastre and Cartography Administration in the Republic of Tatarstan	Head of Administration Zyabbarov Azat Galimzyanovich Avangardnaya str.,74 the city of Kazan, 420054, the Republic of Tatarstan, Russia Phone: (843) 278-88-04 Fax: (843) 278-88-06 E-Mail: 16_upr@rosregistr.ru www: http://rosreestr.tatarstan.ru/
Federal Service of Supervision in the Field of Environmental Management Administration in the Republic of Tatarstan	Head of Administration Khayrutdinov Farit Yusupovich Vishnevskogo str.,26a, the city of Kazan, 420043, the Republic of Tatarstan, Russia Phone: (843) 2000-331, 2000-340 Fax: (843) 2000-332 E-Mail: Delo.Prirodnadzor@tatar.ru www: http://rosprirod.tatarstan.ru/
Ministry of Ecology and Natural Resources of the Republic of Tatarstan	Minister of Ecology and Natural Resources of the Republic of Tatarstan – Sidorov Artyom Georgievich Pavlyukhina str.,75 the city of Kazan, 420049, the Republic of Tatarstan, Russia Phone: (843) 267-68-01, 267-68-02 Fax: (843) 267-68-70 E-Mail: eco@tatar.ru www: http://eco.tatarstan.ru/

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4. Labor Code

4.1 Main principles of labor relations

Regulation of labor relations, and other relationships directly connected with them, is fulfilled by the labor legislation (including labor protection legislation) consisting of the Labor Code of the Russian Federation, other Federal Laws and Laws of the subjects of the Russian Federation containing the labor legislation standards, as well as other regulations of the labor law.

Labor relations, in compliance with the labor legislation of the Russian Federation, may be as well regulated by way of concluding collective and labor agreements between the employer and the employees.

Collective agreements, contracts, as well as labor agreements shall not contain conditions, decreasing the level of rights and guarantees for the employees established by the Labor Code of the Russian Federation and other regulatory legal acts containing the regulations of the labor legislation. In case such conditions are included into the collective agreement, contract or the labor agreement, they are not subject to application.

The Labor Code of the Russian Federation regulations are mainly imperative and open to the employees a wide range of guaranties and benefits. It concerns, first of all, the guarantees to such labor categories as women, youth, as well as persons combining work with study.

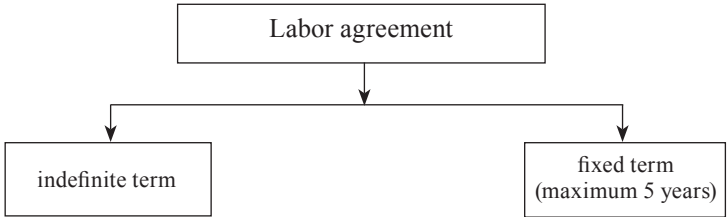
4.2 Labor agreement

4.2.1 Conclusion procedure and the contents of the labor agreement

The Labor agreement is signed as a result of the agreement between the employee and the employer. Each employee shall sign his individual labor agreement in writing.

Parties to the Labor agreement are the natural person- employee and the natural person or legal entity-the employer.

The Labor Code of the Russian Federation stipulated the conclusion of the following labor agreements:



Fixed term labor agreement is signed in cases, when labor relations cannot be established for the indefinite period, taking into consideration the character of the expected work or the conditions of its fulfillment, unless otherwise stipulated by the legislation of the Russian Federation. The basis for the fixed term labor agreement conclusion shall be indicated in the labor agreement in compliance with the Article 59 of the Labor Code of the Russian Federation, establishing the list of reasons serving the basis of the fixed term labor agreement conclusion. Labor agreement concluded for the fixed term without substantial reasons for this, shall be considered as concluded for the indefinite period.

The agreement shall be considered as concluded for the indefinite period, in case none of the parties has demanded the cancellation of the fixed term labor agreement in connection with its term expiry, and the employee carries on his work upon expiration of the labor agreement term.

The legislation prohibits conclusion of the fixed term agreements for the purposes of evasion from the rights and guarantees granted, stipulated for the employees concluding the indefinite term labor agreement.

While concluding the labor agreement through the agreement of the parties, the employee may be assigned a probation period, which shall not exceed 3 months, and for the heads of organizations, their deputies, chief accountants and their deputies, heads of the branch organizations, representative offices and other independent structural subdivisions of the organization – 6 months. Within the established probation period the parties may dissolve the labor agreement with notification of the other party not later than 3 days prior to the dissolution.

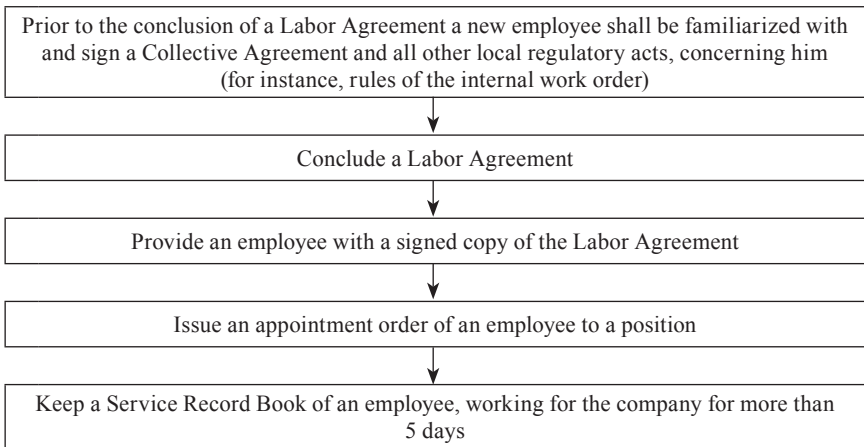
If the probation period has already expired, and the employee carries out his work, he is considered to have undergone the probation, and the

future cancellation of the agreement shall be possible only within the general terms.

The legislation determines the categories of employees, for whom the probation period shall not be appointed.

The employee is obliged to start his work on the day determined by the agreement, or, in the absence of such provision, on the next working day upon the commencement of the agreement. If the employee has not commenced his work on the day of his working day stipulated by the Labor agreement, the employer shall be empowered to annul the agreement. The annulled Labor agreement shall be considered not concluded.

The following obligations of the employer occur with the conclusion of the Labor agreement:



The Labor agreement must contain the following information: full name of the employee and the name of the employer (full name of the employer –physical person); information of the documents, certifying the personality of the employee and of the employer-physical person; ITN of the employer, information of the employer’s representative, authorized for the signing of the Labor agreement and the basis of his authorities, place and date of the Labor agreement conclusion.

The obligatory conditions of the Labor agreement are the following:

- Place of work (with indication of the structural subdivision);
- Job function (work according to the job and in compliance with the staff table, profession, specialty with indication of qualification and definite type of work assigned to the employee);

- Date of the work commencement, and in case of the fixed term labor agreement,- the period of its validity and circumstances (reasons) serving the basis for concluding of the fix term agreement;
- The conditions of labor payment (including the rate tariff or the salary (position salary) of the employee, benefits, increments, bonuses);
- Work-rest schedule (if it differs from the general rules, established in the organization);
- Compensation for the heavy work and work with dangerous and (or) hazardous labor conditions, if the employee is employed to the work in the respective conditions, with indication of labor condition characteristics in the workplace;
- Provision of the obligatory social insurance of the employee in compliance with the Labor Code of the Russian Federation and other federal laws.

The Labor agreement may also stipulate the additional conditions not making worse the employees status as compared to the existing labor legislation and other regulatory legal acts, containing the norms of the labor law, collective agreement, contracts, local regulatory acts.

The following aspects belong to the additional provisions of the Labor agreement: probation period, type and conditions of the additional social and medical insurance of the employee, provision of the corporate and commercial secrets non-disclosure, as well as other provisions upon the coordination of the parties to the labor agreement.

Upon the consent of the parties the Labor agreement may include the rights and liabilities of the employee and the employer.

4.2.2 Termination of the Labor agreement

Reasons for termination of the Labor agreement shall be the following:

- Consent of the parties to the Labor agreement;
- Expiry of the term of the Labor agreement;
- Cancellation of the Labor agreement upon the initiative of the employee;
- Cancellation of the Labor agreement upon the initiative of the employer;
- Transfer of the employee upon his request or his consent to the other employer's work or transfer to the elective position (office);
- Refusal of the employee from the work continuation in connection with the alteration of the Labor agreement provisions specified by the parties;

- Refusal of the employee from the work continuation in connection with the owner of the corporation property alteration, alteration of the affiliation (subordination) of the corporation or its reorganization;
- Refusal of the employee from the transfer to the other work due to the health condition in compliance with the medical certification;
- Refusal of the employee from the transfer to work in the other location together with the employer;
- Circumstances beyond the will of the parties, such as, for instance: call to military service; disqualification as totally disabled in compliance with the medical certification; employee's death or employer's (physical person) death; force majeure circumstances occurrence, preventing from the continuation of the labor relations (military activities, catastrophe, natural disasters, large accidents, epidemics and other);
- Violation of the Labor agreement conclusion rules, stipulated by the Labor Code of the Russian Federation or any other Federal law, if such violation excludes the possibility to continue the work.

Labor agreement may be terminated under any other reasons, envisaged by the law.

As per the general rule, the fixed term agreement shall be terminated upon the expiry of the period of its validity, whereof the employee shall be notified in writing not less than 3 calendar days prior to the termination.

Labor agreement may be terminated upon the initiative of the employer under the following conditions:

- Liquidation of the organization;
- Decrease of the employees quantity or the staff of the organization;
- Non-compliance of the employee with the occupied post or fulfilled job due to his low qualification, validated by the attestation results;
- Corporation property owner alteration (regarding the head of the organization, his deputies, chief accountant);
- Frequent failure on the part of the employee to fulfill his labor obligations without substantial reasons, if he has a disciplinary penalty already;
 - Single hard violation by the employee of his labor obligations, to which the following belongs in particular:
 - Absence, including on one's workplace, without good reasons for over 4 hours in succession during the work day (shift);
 - Disclosure of the secret protected by law (state, commercial, corporate and other) which became known to the employee in connection with his fulfillment of labor obligations;

- Theft of somebody's property (including petty stealing) at the workplace, its deliberate destruction or damage, wasteful spending;
- Violation by the employee of the labor protection requirements, in case this violation has caused the severe consequences (accident in the production area, crash), or intentionally created a real threat of such circumstances occurrence;
- Submitting by the employee to the employer of the fake documents while concluding of the Labor agreement.

Under the initiative of the employee the Labor agreement may be cancelled by expiration of 2 weeks since the written notification whereof has been transferred to the employer. The 2 weeks period shall start on the day following the employment termination application has been submitted.

The employment termination is supported by an Order, indicating the reason of the dismissal, as well as the entry is made in the Service record book of the employee, indicating the reason of the dismissal. The employer shall be obliged to deliver the Service record book to the employee on the day of the Labor agreement termination. The employer shall repay the monetary compensation to the employee for the illegal hold down of the Service record book.

4.3 Labor relations with the heads of the organizations

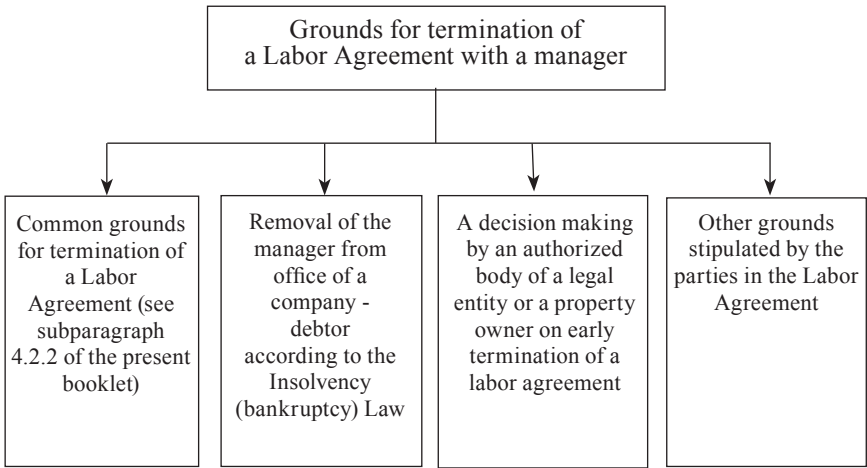
Those physical persons shall belong to the managers of the organizations, who are empowered by the law, other regulatory documents, and constituent documents of the organization to fulfill the management of the organization, including of its sole executive body function fulfillment. The term «manager» used by the Labor Code of the Russian Federation is generalizing, and as applied to the definite type of organization, may be substituted by the other terms, for example «director», «General director», «president», «chairman of the board».

Legal status of the manager in the field of labor relations is determined not only by the Labor agreement and legislation, but by the other laws, regulatory legal acts as well (for example, the Law on LLC, the Law of JSC), and also by the constituent documents of the organization.

The manager may conclude both fixed term and the indefinite term Labor agreement with the organization. In case of the fixed term agreement, the period of its validity is determined by the constituent documents of the organization or consent of the parties.

The manager may combine duties working at the other employees' office only under the permission of the authorized body of the legal entity or the property owner of the organization.

Labor agreement with the manager may be terminated under the following reasons:



In case of the Labor agreement with the manager of the organization termination upon the decision of the authorized body of the legal entity or the property owner, and in case of the absence of the guilty activity (inactivity) on the part of the manager, he is paid a compensation in the amount, determined by the Labor agreement, but not less than three-time average monthly salary.

In case of the Labor agreement termination upon the manager's initiative, the employer shall be notified thereof not later than 1 month prior to it.

Unlike the other employees, the manager of the organization shall bear total pecuniary liability for the real direct damage incurred to the employer, as well as shall reimburse all losses, including the lost profit, incurred to the organization through his guilty actions in cases stipulated by legislation.

4.4 Labor payment

The salary is determined in the Labor agreement and paid to the employee in the monetary form in the Russian Federation currency (rubles). Upon the written application of the employee, part of the salary (but not

exceeding 20%) may be paid in non-monetary form, for example, in the goods of the own production. Nevertheless, it is notable, that the salary payment in checks, coupons, promissory notes, receipts is prohibited.

Minimum amount of the labor payment is determined simultaneously on the whole territory of the Russian Federation by the federal law and cannot be lower than the subsistence rate minimum of the man capable to work.

In compliance with the Federal Law No 82-ФЗ «On the minimum volume of labor payment» of June 19, 2000, the minimum labor payment in the Russian Federation since January 1, 2011 comprises 4 611 rubles per month (RF subjects are empowered to establish the higher minimum volume of labor payment). Nevertheless, the subsistence rate minimum of the man capable to work, established by the Government of the Russian Federation for the I quarter of the year 2011 comprises 6 986 rubles. As of the moment of the booklet preparation the subsistence rate minimum has not been changed. The Russian legislation at present, as well as the judicial practice don't give any explanations regarding the discrepancy between the minimum volume of labor payment and the subsistence rate minimum in the Russian Federation.

Labor payment shall be fulfilled every half month on the days, established by the internal rules and regulations of the organization, collective agreement or the Labor agreement.

Labor legislation establishes the responsibility of the employer for the violation of the labor payment terms, as well as the other sums, payable to the employee. Upon violation of the established terms, the employer shall be obliged to pay it together with the interest, accrued for the whole period of the delay. The obligation of the indicated monetary compensation payment occurs regardless of the guilt of the employer.

In case of the delay in the labor payment for the term exceeding 15 days, the employees are empowered to suspend the work for the whole period till the delayed sum payment. Within such period of work suspension the employee shall have right during working hours to be away from work. The employee shall be obliged to resume his work not later than the next working day upon the receipt of the notification in writing from the employer regarding his willingness to fulfill the payment of the delayed salary on the day of the employee turns up to work.

Besides, in case of the unduly labor payment, the employee shall have the right to submit his claims to the employer of the moral damage compensation. The volume of the moral damage subject to reimbursement shall be determined by the consent of the parties to the Labor agreement. In case the parties fail to reach the consent, the fact of the moral damage

inflicting to the employee and the volume of its reimbursement shall be determined by the court.

4.5 Working hours. Rest time

The term ‘working hours’ shall be construed as the time, during which in compliance with the rules of the internal labor schedule of the organization and the conditions of the Labor agreement the employee is obliged to fulfill his job obligations and be present on his workplace, as well as the other periods of time, which in compliance with the laws and other regulatory legal acts are assigned to the working hours.

The Labor Code of the Russian Federation determines the normal length of the working hours in the amount of 40 hours a week.

The employer has the right to attract the employee to his work beyond the normal length of the working hours established for the certain employee in compliance with the Labor Code of the Russian Federation, other Federal laws and regulatory legal acts of the Russian Federation, collective agreement, contracts, local regulatory legal acts, Labor agreement (further «the length of working hours established for the employee») in the following cases:

- For the fulfillment of overtime work;
- If the employee works on conditions of the non-standard working day.

The term ‘overtime work’ shall be construed as the work fulfilled upon the initiative of the employer beyond the normal length of the working hours established for the certain employee: daily work (shift), and in consolidated recording of the working hours – beyond the normal amount of working hours for the reported period. The employer may attract the employee to the overtime work without his consent, in particular, for the activity performance, necessary for the catastrophe prevention, industrial accident or elimination of the force majeure circumstances, violating the normal functioning of the life support systems; as well as in other cases endangering the life and normal living conditions of the whole population or its part. In other cases the attraction of the employee to the overtime work shall be allowed only upon the written consent of the employee and considering the opinion of the elected body of the trade union organization (if any).

In case the overtime work has been fulfilled, the employee is paid the pecuniary compensation, or (upon his will) is granted the additional rest time, but not less than the time worked overtime.

The term ‘non-standard working day’ shall be construed as the special working schedule, when the certain employees may in case of necessity be attracted by the employer from time to time to the fulfillment of their job functions beyond the normal length of the working hours established for the certain employee. The list of the workers posts subject to the non-standard working day shall be established by the collective agreement, contracts or the internal rules of the corporation working schedule. The employees with the non-standard working day are granted the additional vacations, which shall not be less than 3 calendar days.

The employee shall have right to conclude Labor agreements of the other regular paid work fulfillment with the same employer within the time period free from the main work (internal secondary job) and (or) with the other employer (external secondary job).

The term ‘rest time’ shall be construed as the time, during which the employee is free from the fulfillment of his job obligations, and which may be used at his own discretion.

The types of the rest time, in compliance with the Article 107 of the RF Labor Code are the following:

- Breaks during the working day (for example, for lunch);
- Daily (inter shift) rest;
- Holidays (weekly continuous rest);
- Legal public holiday;
- Vacations.

The work in the non-working day and legal public holidays is prohibited. Attraction of the employees to work in the non-working days and legal public holidays is fulfilled upon their written consent in case of necessity of the force majeure activity fulfillment, influencing the future normal activity of the organization on the whole or its separate structural divisions. The attraction to work in the non-working day and legal public holidays without the written consent shall be allowed in the emergency cases, stipulated by the Labor Code (for example, for prevention of the natural disaster).

When the non-working day coincides with the legal public holiday the non-working day is shifted to the next working day following holiday. Besides, the Government of the Russian Federation may shift the non-working days to the other days for the purposes of their rational usage. The length of the working day or shift, directly preceding the legal public holiday is decreased for one hour.

All employees shall be granted the annual paid leave lasting not less than 28 calendar days with preservation of the workplace (job) and the average salary. Maximum length of the vacation shall not be limited.

The right to the rest of the employee for the first year of employment generally occurs upon the 6 months of the continuous work expiration in the organization. The parties agree to grant the employer the paid leave before the expiry of 6 months as well. The leave for the second and the next years of employment may be granted in any time of the year in compliance with the leave schedule. The leave schedule shall be obligatory both for the employee, and for the employer. The employee shall be notified of the rest commencement time not later than 2 weeks prior to its commencement.

By consent of the employer and the employee, the annual paid leave may be divided into parts, one part being not less than 14 calendar days.

Law makers have envisaged even, that the part of the leave exceeding 28 calendar days, upon the written application of the employee may be changed for the pecuniary compensation. Nevertheless, regarding the definite categories of persons (for example, pregnant women) the change of the leave by the pecuniary compensation shall be prohibited.

Labor law envisages also some other types of leaves:

- Annual additional leaves (granted to some categories of employees, for example: employees, engaged at the work connected with dangerous and hazardous labor conditions; employees with non-standard working day; employees combining work with education – for passing exams);

- Short term leaves without preservation of salary, granted upon the request of the employee due to the family circumstances or due to other reasonable motives;

- Leaves, connected with the benefits granting to the women (pregnancy and maternity leave-70 days before and 70 days after the childbirth; child care leave- up to 3 years).

4.6 Foreign citizens labor activity specifics

Main conditions of fulfillment by the foreign citizens of the labor activity in Russia are established by the Federal law No 115-ФЗ «On the legal status of the foreign citizens in the Russian Federation» of July 25, 2002 (further – «The law on the legal status of the foreign citizens»). This law stipulates, that the employer, having invited the foreign citizen to Russia for the purposes of the labor activity fulfillment, and having concluded with the foreign citizen a Labor agreement in Russia, shall be obliged in compliance with the general procedure:

- To have the permit for attraction and use of the foreign employees and to provide the obtaining the labor permit by the foreign citizen;

- To fulfill the migration registration of the foreign citizen by place of location in the Russian Federation;

- To fulfill the migration registration as a receiving party for the issue of the invitations to the foreign citizens;
- To notify the respective state bodies of the attraction of the foreign citizen to the labor activity;
- To fulfill other obligations, connected with the procedure of the foreign citizen residence in Russia.

The administrative liability is envisaged for the violation of rules of attraction and use of the foreign labor force in Russia. The liability is envisaged both for the employer of the organization (penalty in the amount of 800 000 rub.) and for the official person of the organization (penalty in the amount from 25 000 rubles to 50 000 rubles), as well as for the employee- the foreign citizen for the illegal fulfillment of the labor activity (penalty in the amount from 2 000 to 5 000 rubles) followed by the administrative deportation beyond the borders of the Russian Federation or without the latter).

4.6.1 Documents formulation for the fulfillment of the labor activity by the foreign citizens

Main conditions of the labor activity fulfillment by the foreign citizens in the Russian Federation is the availability of the Permit on the part of the employer for the attraction and use of the foreign employees, as well as the availability of the labor permit on the part of the foreign citizen.

The procedure, conditions and the list of documents, necessary for Permit receipt for the attraction of the foreign employees and the labor permit are stipulated by the Article 13.1, 13.2 of the Law on the legal status of the foreign citizens.

The issue of Permits for the attraction and use of the foreign employees, as well as Labor permits is within the competence of the Federal Migration Service and its territorial bodies. The prerequisite of issue of Permits for the attraction and use of the foreign employees to the employer is the positive conclusion of the Federal State Service of labor and employment of population in the subject of the Russian Federation of the expediency of the foreign labor force attraction.

The process of the Permit for the attraction and use of the foreign employees obtaining takes over 14 days (item 9 article 13.2 of the Law on the legal status of foreign citizens).

The Permit for the attraction and use of the foreign employees is issued for the period of the Contract of the highly qualified specialist validity term, but not more than 3 year⁴s, and is valid on the territory

of the definite RF subject, where the foreign employees will be fulfilling their labor activity. The Permit indicates the number of employees, which may be attracted by the company-employer.

Upon the receipt of the Permit for attraction, the employer applies to the territorial body of the FMS of Russia in the subject for the issue of the labor permit to the foreign citizen. The application is supported by the documents with information of the employed foreign citizen, including the copy of his passport, copy of the document of the higher education with Apostille, and the medical resolution in the established form.

The Labor permit issue for the foreign employee takes approximately 1 month, but may be prolonged till 1,5 months. The Labor permit is valid within the period and on the territory of the Permit for the attraction and use of the foreign employees validity, issued to the employer.

The employer must pay state dues for the issue of the Permit for the attraction and use of the foreign employees in the amount of 6 000 rubles for each foreign citizen. The foreign citizen must pay 2 000 rubles of state dues for the issue of the Labor permit.

It should be noted, that the necessity to obtain the Permit for the attraction and use of the foreign employees does not embrace the employers, who intend to employ the foreign citizens, arriving to Russia within the procedure, not requiring the visa.

The necessity of the Labor permit obtaining shall not embrace the following foreign citizens:

- Permanent residents in the Russian Federation;
- The employees of the diplomatic representative offices, employees of the foreign countries consular institutions in the Russian Federation, employees of the international organizations, as well as private domestic workers of the indicated persons;
 - The employees of the foreign legal entities (manufactures or suppliers) fulfilling the assembly (contract supervision) activity, service and warranty maintenance, as well as the post- warranty period repair of the technical equipment supplied to the Russian Federation;
 - Journalists, accredited in the Russian Federation;
 - Students of the educational institutions of the professional education in the Russian Federation and fulfilling work (rendering services) during their vacations;
 - Students of the educational institutions of the professional education in the Russian Federation working in their free time as a auxiliary educational staff in those educational institutions, where they study;
 - Teachers invited to the Russian Federation for lecturing in the educational institutions, except persons, entering the Russian Federation

for teaching in the institutions of the religious education (spiritual educational institutions);

- People invited to the Russian Federation with the business or humanitarian purpose, or with purposes of the labor activity fulfillment and apart from that attracted for the educational activity in the research institutions and higher educational institutions having state accreditation, except institutions of the professional religious education (spiritual educational institutions);

- The employees of the Representative offices of the foreign legal entities accredited within the established procedure on the territory of the Russian Federation, registered in the Russian Federation within the procedure established by the legislation, within the quantity coordinated during accreditation of the names Representative offices by the authorized accreditation body, on the basis of the principle of mutuality in compliance with the international treaties of the Russian Federation.

4.6.2 The procedure of entry into the Russian Federation for the purpose of the labor activity fulfillment

The procedure of entry of the foreign citizens into the Russian Federation is determined by the Federal law No 114-ФЗ «On the procedure of exit from and entry to the Russian Federation» of August 15, 1996. In compliance with the indicated Federal law the foreign citizens may enter the Russian Federation provided that they have the Russian visa (except foreign citizens of the countries, with whom the Russian Federation has concluded contracts of visaless regime, for example, the majority of CIS countries).

The entry into the Russian Federation for labor activity fulfillment shall be allowed on the basis of the ordinary working visa. The ordinary working visa is issued for the period till 3 months on the basis of the invitation; visa may be prolonged upon the entry into Russia in the territorial body of the Federal migration service in place of the migration registration of the foreign citizen. The visa prolongation is supported by the multiple working visa issue for the period of the concluded labor agreement validity term, but not more than for 1 year.

The basis for the visa issue is the invitation for entry, which is formulated in compliance with the Rules of invitations formulation for the entry into the Russian Federation of the foreign citizens and stateless persons (approved by the Resolution of the Russian Federation Government No 655 of October 8, 2007).

4.6.3 Migration registration of the foreign citizens on the territory of the Russian Federation

In compliance with the Federal law No 109-ФЗ « On migration registration of the foreign citizens in the Russian Federation» of July 18, 2006 the foreign citizen entering the territory of the Russian Federation shall be obliged to register in the migration office within 7 working days since the arrival in the Russian Federation. Registration of the foreign citizen in the migration office is fulfilled by the receiving party by way of submitting the notification into the territorial body of executive power in the field of migration of the citizen's entry to the place of his temporary residence.

The fact of the foreign citizen entry into the Russian Federation shall serve the basis for his migration registration, the fact of his exit – shall be the basis of his registration cancellation.

By entry into the territory of the Russian federation the foreign citizen shall be obliged to fill in the migration form. The foreign citizen shall keep the migration form during the whole period of his temporary residence in the Russian Federation, and gives it away in the exit from the Russian Federation in the point of the border crossing.

The amount of the Labor permits issued to the foreign citizens and invitations to the entry into the Russian Federation for the purpose of the labor activity fulfillment is limited. Quotas for the Labor permits and invitations to the entry id determined annually by the Government of the Russian Federation by the offers of the executive bodies of the state power in the subjects of the Russian Federation considering the demographic situation in the respective subject of the Russian Federation and opportunities of this subject of the foreign citizens placement. Besides, the list of professions (jobs) is determined, which are not subject to quoting.

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5. Taxation

5.1 Taxation system in the Russian Federation

Since July 31, 1998 the system of taxes and charges, levied in the Russian Federation is determined by the Tax Code of the Russian Federation. The existing classification of taxes and charges divides all existing taxes and charges into three groups\levels – federal taxes, taxes of the subjects of the Russian Federation (regional taxes) and local (municipal) taxes. The level guides the procedure of the tax introduction and its elements (rate, taxation object, repayment terms, etc.).

5.1.1 Federal taxes and charges

Federal taxes and charges are established and introduced by the federal laws. The regional power bodies have the right to change a number of the federal taxes rate of the sums paid into the regional budget. Benefits of the federal taxes are established only by the federal acts. In respect of some federal taxes, the regional power bodies have the right to change a number of the taxes rate (for example, the profit tax of the company) or correct the other elements of the tax (for example the volume of deductions from the natural persons income tax).

The following taxes and charges at present belong to the federal ones:

- Value added tax (VAT);
- Excise tax;
- Income tax of the natural persons;
- Profit tax of the company;
- Severance tax;
- Water tax;
- Charges for the use of the animal world objects or for the use of the biological resources objects;
- State duty.

In compliance with the Tax Code of the Russian Federation, the customs dues and fees have belonged to the federal taxes till January 1, 2005. Since January 1, 2005 they have not been mentioned in the Tax Code of the Russian Federation, and their levy is regulated by the tax legislation of the Russian Federation.

Till January 1, 2010 the Unified social tax has been levied on the basis of the Tax Code of the Russian Federation. Since 2010 the Unified

social tax has been changed for the insurance fees payments to the off-budget funds along the types of social insurance (See Paragraph 5.4).

5.1.2 Regional taxes

Regional taxes at present are regulated both by the federal legislation, and the legislation of the subjects of the Russian Federation. The common practice is the establishment of the basic elements of the tax on the federal level (for example, taxation basis, maximum rate, taxpayers) and establishment of the definite rate, payment procedure and term of the tax payment in the act of the regional level. In general, the benefits by the regional taxes shall be established by the regional and federal legislation.

The following taxes belong to the regional ones:

- Property tax of the organization;
- Tax on gambling industry;
- Transportation tax.

5.1.3 Local taxes

As per the general procedure, the local taxes are introduced by the acts of the municipal entities. In St. Petersburg and in Moscow the local taxes are introduced by the acts of these cities. Some elements of the local taxes (maximum rate, basis) are at present established on the federal level. The taxation procedure, ad benefits are usually established by the acts of the municipal entities.

The following taxes belong to the local ones:

- Land tax;
- Property tax of the natural persons.

See below the unified table of the federal, regional and local taxes

Federal taxes	Regional taxes	Local taxes
VAT Excise;	Property tax of organizations	Land tax
Income tax of the natural persons;	Tax on gambling industry	Property tax of the natural persons
Profit tax of the organization	Transportation tax	
Severance tax Water tax		
Charges for the use of the animal world objects or for the use of the biological resources objects		
State duty		

5.2 Peculiarities of the foreign companies' taxation

One of the peculiarities of the foreign companies' taxation is the different levying of such companies' profits depending of the types of activity, fulfilled by the foreign company in Russia, type of the profit received, and the country of permanent residence of the company.

The term 'permanent representation of the foreign company' shall be construed by the taxation legislation of the Russian Federation as the place of the entrepreneurship activity on the territory of Russia.

In case the activity of the foreign company establishes the permanent representation on the territory of Russia, its profit, gained through this representation, may be taxable in Russia by the rules applied to the Russian organizations.

If the activity of the foreign company doesn't establish the permanent representation, its profit gained from the Russian sources also may be taxable (see Paragraph II, subparagraph 1.2.1, Table «Survey of the main taxes, paid by the legal entities in the Russian Federation»). In case the country of permanent residence of the foreign company and the Russian Federation have signed an agreement on double taxation avoidance, some rates may be lowered or not applied at all. Tax from the profits of the source in the Russian Federation is usually retained by the Russian counteragent (taxpayer) of the foreign company and transferred directly into the Russian budget.

5.3 Tax benefits

The greater part of the tax benefits, granted to the different enterprises, have been eliminated in the process of the taxation reform in Russia. On the whole, this elimination bears the positive impact and promotes the development of the healthy competitiveness on the Russian market.

At the same time, part of the benefits for the investors remains. Herewith, part of the regions fulfill the general liberalization of taxation rules, aimed at compensation to the enterprises the losses incurred by the benefits elimination. Thus, they envisage the possibility of the taxation rate to the profit of organizations decrease for the separate categories of taxpayers, provided it has been stipulated by the laws of the Russian Federation subjects.

5.3.1 Benefits to the Value added tax

The most important benefits here are the following:

- Investments of the participants (shareholders) of the company into the authorized capital.

The taxable turn-over does not include the goods transferred to the authorized capital of the branch organizations, due to the fact that such transfer is not considered as realization.

Nevertheless, if such goods are brought from abroad, «customs» VAT shall be payable from their value; that is VAT on the imported goods. One of the exclusions from this rule is the import of the technological equipment and spare parts to it, if its analogues are not produced in the Russian Federation. Import of the technological equipment (including componentry and spare parts) shall be «customs» VAT- exempt, only in case such equipment is included in the list approved by the Resolution No 372 of the RF Government of April 30, 2009. This benefit is granted not only by the import of the equipment as an investment into the authorized capital, but also by its purchase on the basis of the delivery contract.

Since January 1, 2006, by the transfer of the property into the authorized capital of the branch organization, the transferring company shall be obliged to reimburse the taxation sums in the amount earlier accepted to deduction; and in respect of the main funds and non-tangible assets – in the amount of the sum proportional to the balance value without consideration of reevaluation. In this case the sums of the tax, subject to reimbursement, are not included into the value of property, non-tangible assets and property rights, and are subject to the tax deduction from the receiving organization. Herewith, the sum of the reimbursed tax is indicated in the documents formulating the transfer of the named property, non-tangible assets and property rights.

- VAT rate 0% by the exported goods and services.

Goods exported from Russia, as well as works and services connected with such export (mainly –transportation, transshipment, shipment, as well as works of the goods processing under the special customs regimes) are charged by the rate 0%.

There is a special procedure of the rights confirmation for the application of the 0% rate to the VAT of the exported products.

- The right to the exemption from the VAT payment of the project «Skolkovo» participant.

The right to the exemption from the obligation of VAT payment of the project «Skolkovo» participant occurs since the 1st day of the month, following the corresponding status.

5.3.2 Benefits for the property tax

In compliance with the Tax Code of the Russian Federation, the laws of the subjects of the Russian Federation may envisage the tax benefits

and basis for their application in the process of the property tax of the organizations determination.

Thus, the laws of many federation subjects envisage tax benefits regarding the property, procured or manufactured for realization of investment projects, in the form of the tax rate decrease, or total exemption from tax payment for the definite period (usually- to the period of the investment project repayment, but not exceeding the deadline term of repayment).

5.4 Alterations in the system of social payments

Since January 1, 2010 the new payment procedure of insurance fee payment for the definite types of social insurance have been introduced instead of the unified social tax existing earlier, including the following:

- Insurance fees for the obligatory pension insurance into the Pension fund of the Russian Federation (further «PFR»);
- Insurance fees for the obligatory social insurance in case of the temporary disability and in connection with the maternity to the Social Insurance Fund of the Russian Federation (further – «SIF RF»);
- Insurance fees for the obligatory medical insurance into the Federal Fund of the Obligatory Medical Insurance (further – FFOMI), and the Territorial funds of the obligatory medical insurance (further «TFOMI»). The payers of the insurance fees are the insurers, determined in compliance with the federal laws on the definite types of the obligatory social insurance, where belong the persons, making payments and other emoluments to the benefit of the natural persons, as well as individual entrepreneurs, lawyers and notaries, engaged in the private practice. Basis for the insurance fees accrual is determined in respect of each employee since the beginning of the year with the accrual character, and cannot exceed 415 000 rubles. The insurance fees shall not be paid from the sums of payments exceeding this volume. Herewith, the maximum volume of the basis in the amount of 415 000 rub. is subject to the annual indexation in compliance with the growth of the average salary in Russia.

The following tariffs of insurance fees are applied since 2014: to the Pension Fund of Russia – 22%; to the RF Social Insurance Fund – 2,9%; Federal Compulsory Medical Insurance Fund – 5,1%.

For some categories of taxpayers (agricultural manufacturers, residents of the technical special economic Zone, payers of the unified agricultural tax (UAT), public organizations of the handicapped people etc.) the lower tariffs of insurance fees have been envisaged in 2011-2014.

Besides, PFR and FSS RF and their territorial bodies are empowered with the functions of insurance fees payment control. Territorial bodies shall carry out joint field audits of the insurance fees payment.

5.5. The procedure of the lowered insurance fees tariffs application

The lowered insurance fees tariffs for the certain categories of insurance fees payers within the transition period of the years 2011–2027 are allowed to apply in compliance with the Article 58 of the Law №212-ФЗ.

The lowered insurance fees tariffs for the payers effecting payments to the natural persons are fixed on the basis of the item 1 of the Law №212-ФЗ in the following amounts:

1. During the year of 2014 the following lowered insurance fees tariffs are applied: to the Pension Fund of Russia – 21%; to the RF Social Insurance Fund – 2,4%; Federal Compulsory Medical Insurance Fund – 3,7%.

2. Within the period of the years 2014–2017 the following lowered insurance fees tariffs are applied: to the Pension Fund of Russia – 8%; to the RF Social Insurance Fund – 2%; Federal Compulsory Medical Insurance Fund – 4%.

For the following types of taxpayers:

2.1. Corporations established after 13.08.2009:

– Budget research institutions in compliance with the law of 23.08.1996 No 127-ФЗ «On the science and the state policy concerning research and technology»,

– Educational institutions of the higher professional education in compliance with the Law of 22.08.1996 № 125-ФЗ «On the higher and post graduate professional education».

3. Within the period of the years 2014–2018 the following lowered insurance fees tariffs are applied: to the Pension Fund of Russia – 20%; to the RF Social Insurance Fund – 0%; Federal Compulsory Medical Insurance Fund – 0%.

For the following types of taxpayers:

3.1. Pharmacy organizations (approved in compliance with the Law of 12.04.2010 № 61-ФЗ «On circulation of the medicinal products») and Private Entrepreneurs (having licenses for pharmaceutical activity) paying Single Tax for Imputed Income – concerning payments effected by the natural persons in respect of the pharmaceutical activity fulfillment.

3.2. Non-profit organizations (except state/municipal institutions) registered within the procedure stipulated by the RF legislation, applying

Simplified Tax System and carrying out the following activity in compliance with the constituent document: social population servicing, research and development, education, health care, culture and art (theatrical activity, libraries, museums and archives), mass sport (except professional), professional education.

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6. Customs regulation

Customs regulation of the Russian federation at present undergoes one of the most large-scale reforms in its history. It has been resolved within the frames of the Eurasian Economic Community to create the unified customs territory on the territory of Belorussia, Kazakhstan, Russia and to develop the Customs Union.

The Agreement of the Unified customs-tariffs regulation, and the Unified Commodity Code listing of the foreign economic activity of the Customs Union (CCL FEA CU), Unified customs tariff of the Customs Union, and a number of other acts of the Customs Union have come into force since January 1, 2010.

Customs Code of the Customs Union has come into force since July 1, 2010. Since that moment the Customs Code of the Russian Federation

has lost its force, and the customs regulation of the Russian Federation is fulfilled in compliance with the provisions of the customs legislation and the Federal Law № 311-ФЗ «On customs regulation in the Russian Federation» of 27.11.2010.

6.1 Customs dues

6.1.1 Object of taxation

Customs value of the goods is the object of taxation by the customs dues; it is calculated in compliance with the customs legislation of the Russian Federation; the customs value may differ from the contractual value of the goods on case it has been corrected by the controllingbodies.

6.1.2 Rates of customs duties

Since January, 2010 import customs duties for the imported goods are established by the Unified customs tariff of the Customs union, approved by the Resolution No 18of the Interstate Council of the Eurasian Economic Community of November 27, 2009. The Unified customs tariff at present establishes the rates for 97 groups of goods. Goods classification established in the Unified customs tariff, is similar to the classification used by the majority of countries in the European Union.

The customs duties may be both ad valorem (differentiated), and fixed. Customs duty is applied mainly to the imported goods. Nevertheless, some types of raw material, exported from the Russian Federation, have also customs value.

6.2 Benefit for the investors

The main benefit, very often used by the foreign investors at present is the «no customs value» benefit in respect of the goods, imported as an investment of the foreign participant into the authorized capital of the Russian legal entities with foreign investments ¹.

The benefit is granted in case such goods are meeting the following conditions:

- Do not belong to the excisable;
- Subject to inclusion into the main production means;

¹ Resolution of the RF Government of July 23, 1996 No 883 «On benefits of the export customs duty and the value added tax regarding the goods, brought by the foreign investors as an investment into the authorized (share) capital of the enterprises with the foreign investments».

- Imported within the terms of the authorized capital formation, established in the constituent documents of the legal entity.

It is important, that in case of the aggressive approach, the customs body may demand the collateral guarantees of the customs duties.

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7. Currency regulation

7.1 General survey

In compliance with the Article 140 of the Civil Code of the Russian Federation, Ruble is the national currency of the Russian Federation. All transaction committed on the territory of the Russian Federation shall be made in rubles. The contracts may contain the reference to the ruble equivalent of the sum, indicated in any foreign currency.

For the purposes of the national currency protection and preventing the illegal export of the capital from the country, there is a special legislation, regulating the operations, fulfilled in the foreign currency. The main legislative act in this sphere is the Federal law No 173-Φ3 «On the currency regulation and the currency control» of December 10, 2006 (further – «The Law on the currency regulation»).The important role is played by the regulatory acts of the Central Bank of the Russian Federation, which is the main body of the currency regulation in Russia.

During the last years the Russian currency legislation has suffered substantial alterations, connected with the general liberalization of the Russian economy, as well as the intention of the Russian Federation Government to provide the conditions of the free convertibility of the Russian ruble. In this connection, a lot of limitations have been eliminated,

being connected with the operations of capital rotation between the Russian and foreign entities. On the whole, the alteration of the currency legislation of the Russian Federation has provided the elimination of the administrative barriers and limitation of the state power bodies' interference with the business activity of the Russian and the foreign companies.

7.2 Currency operations

Those operations belong to the currency ones, which are connected with the transfer of the property right and other rights to the Russian and foreign currency and securities, as well as their transfer beyond the border of the Russian federation or use it as a means of payment.

For the purposes of the currency regulation, the legislation of the Russian Federation divides all participants of the currency operations, from the point of their legal status, to the residents and non-residents. It assigns to the residents the following groups: citizens of the Russian Federation; foreign citizens living on the territory of the Russian Federation of the basis of the Permanent residence card; Russian legal entities and their branch organizations and representative offices beyond the border of the Russian Federation. It assigns to the non-residents the following groups: foreign citizens, foreign legal entities and their branch organizations and representative offices on the territory of the Russian Federation.

Currency operations between the residents and the non-residents are committed freely and without any limitations.

Currency operations between the residents are prohibited, except cases, envisaged by the Law on currency regulation. Here belong such exceptions as:

- Operations between the commissioners (agents, attorneys) and the commitments (principals, consignor) by rendering services, connected with conclusion and fulfillment of contracts with non-residents;
- Operations by the contracts of transport expedition, transportation and freightage (chartering) by rendering of services, connected with the cargo transportation, exported or imported to the Russian Federation, transit cargo transportation along the territory of the Russian Federation, as well as by the insurance contracts of the indicated cargo;
- Operations with securities, issued beyond the borders of the Russian Federation, fulfilled through the organizers of trade at the securities market of the Russian Federation, provided the rights to such securities have been registered in the depository, established in compliance with the legislation of the Russian Federation;

- Operations with securities issued beyond the Russian Federation provided the rights to such securities have been registered in the depository, established in compliance with the legislation of the Russian Federation and fulfillment of settlements in the currency of the Russian Federation;
- Operations connected with the payments by the securities, issued beyond the Russian Federation, except promissory bonds;
- Other operations envisaged by the law.

Currency operations between non-residents are fulfilled freely. In particular, non-residents are empowered to transfer foreign currency without limitations to the accounts, opened in the Russian banks, or to transfer foreign currency from the accounts opened in the Russian banks to the accounts, opened beyond the borders of the Russian Federation. Non-residents are empowered as well to fulfill without limitations operations with securities, issued on the territory of the Russian Federation, provided they comply with the Russian anti-monopoly legislation and laws on the securities market. Currency operations between non-residents on the territory of the Russian Federation, committed in rubles, are fulfilled through the bank accounts opened on the territory of the Russian Federation.

Sale and purchase of the foreign currency and checks (including travel checks), the nominal value of which is indicated in the foreign currency, in the Russian Federation is fulfilled only through the authorized banks, that is the Russian banks and branches of the foreign banks having rights on the basis of the licenses of the Central bank of the Russian Federation to fulfill bank operations with means in foreign currency.

7.3 Bank accounts of non-residents

Non-residents are empowered to open bank accounts (bank deposits) in Russian and foreign currency on the territory of the Russian Federation only in the authorized banks. The procedure of opening and managing of the bank account (bank deposits) of non-residents, opened on the territory of the Russian Federation, is established by the Central bank of the Russian Federation.

Non-residents have right without limitations to transfer foreign currency and the currency of the Russian Federation from their bank accounts (bank deposits) in the authorized banks. Non-residents have also right without limitations to transfer foreign currency from their bank accounts (bank deposits) in the authorized banks to their accounts (deposits) in the banks located beyond the territory of the Russian Federation.

7.4 Revenues repatriation

The Law on the currency regulation establishes the residents' obligation in the process of the foreign economic activity, within the terms stipulated by the foreign economic contracts (agreements) to provide the following:

- Receipt of the foreign currency or the currency of the Russian Federation from the non-residents to their bank accounts in the authorized banks, which is due to them in compliance with the indicated contracts' (agreements') provisions for the goods transferred to the non-residents, or for the services rendered to them, information and the intellectual activity results, including exclusive rights to it;
- Return to the Russian Federation of the pecuniary means, paid to the non-residents for the goods not carried to the customs territory of the Russian federation (not received at the customs territory of the Russian Federation), works non-fulfilled, and services not rendered, information and the results of the intellectual activity not delivered, including the exclusive rights to it.

In this connection, the general rule stipulated by the Civil Code of the Russian Federation, on the permissibility of obligation fulfillment by the third person, shall not be applied here in relation to the payment conditions in cases with the foreign currency due to the residents, listed above.

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8. State order placement

8.1. Field of legislation application regarding government orders

Current Federal Law of April 5, 2013 No 44-ФЗ «On contract system in purchase of goods, works, services for the state and municipal needs provision» (as amended)

Coming of the Law on state order into force laid the foundations of the of the state procurement system for all state and municipal contractors, among them:

- State bodies (including state power bodies);
- Management bodies of the stat and off-budget funds;
- Local self-government bodies;
- Budget institutions;
- Other beneficiaries of the Federal budget funds, budgets of the Russian Federation subjects or local budgets.

8.2 Means of the state order placement

1. Auctions
 - Open auction in electronic form.
 - Closed auction
2. Request for quotation.
3. Request for proposals.
4. Competitions.
 - Open competition
 - Competition with limited participation
 - 2 stage competition
 - Closed competition
 - Closed competition with limited participation
 - Closed 2 stage competition

8.3 Merchandise admissibility conditions, originating from the foreign state, works (services) fulfilled (rendered) by the foreign persons

Measures providing additional protection of the Russian manufacturers by realization of procedures of the state orders placement have been established since January 1, 2009. In particular, they envisage special conditions of the foreign goods, works, services admissibility established by the order of the Government of the Russian Federation, when the priority of the Russian goods, works and services is established in respect of the foreign ones.

RESOLUTION

Of December 24, 2013 № 1224

ON PROHIBITION AND LIMITATIONS SETTING FOR MERCHANDISE ADMISSIBILITY ORIGINATING FROM THE FOREIGN STATES, WORKS (SERVICES), FULFILLED (RENDERED) BY THE FOREIGN PERSONS FOR THE PURPOSES OF PURCHASING OF GOODS, WORKS, (SERVICES) FOR THE NATIONAL DEFENSE NEEDS AND THE STATE SECURITY

In compliance with the Part 3 of the Article 14 of the Federal Law «On contract system in purchase of goods, works, services for the state and municipal needs provision» the Government of the Russian Federation resolves the following:

1. To set prohibition and limitations for merchandise admissibility originating from the foreign states, works (services), fulfilled (rendered) by the foreign persons for the purposes of purchasing of goods, works, (services) for the national defense needs and the state security, except cases, when the production of such goods, works fulfillment and rendering of services on the territory of the Russian Federation are missing or do not comply with the requirements of the state customer.

2. To set, that the absence of production on the territory of the Russian Federation of goods of the list in compliance with the Appendix will be confirmed by inclusion of the goods into the list of technological equipment (including componentry and spare parts to it), the analogues of which are not produced in the Russian Federation, the importing of which into the territory of the Russian Federation shall not be subject to value added tax, approved by the Resolution of the Russian Federation Government of April 30, 2009 No 372 «On approval of the list of technological equipment (including componentry and spare parts to it), the analogues of which are not produced in the Russian Federation, the importing of which into the territory of the Russian Federation shall not be subject to value added tax», or the respective conclusion by the results of the inspection carried out by the Ministry of Industry and Trade of the Russian Federation within the determined procedure.

3. The Ministry of Industry and Trade of the Russian Federation shall develop and approve before January 1, 2014 the Rules of the inspection fulfillment regarding the absence of production in the Russian Federation of goods indicated in the present Resolution.

4. Declare to be no longer in force the Resolution of the Russian Federation Government of February 7, 2011 № 56 «prohibition and limitations for merchandise admissibility originating from the foreign

states, or group of foreign states, works (services), fulfilled (rendered) by the foreign persons for the purposes of orders placing for goods delivery, works fulfillment, services rendering for the national defense needs and the state security» (The Russian Federation legislation collection, 2011, No 7, pg. 987).

5. The Items 1,2 and 4 come into force since January 2014.

Chairman of the Government
of the Russian Federation
D.Medvedev

Source: <http://pravo.gov.ru:8080/page.aspx?81596>

Useful contacts in the Republic of Tatarstan

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4. Promotion of economic activity in the Republic of Tatarstan

1. Peculiarities of the regional legislation in the Republic of Tatarstan

1.1 Regulatory-legal base

Federal legislation provides the frames of the investment activity fulfillment on the territory of the Russian Federation. The subjects inside the Russian Federation are granted opportunity to regulate separate issues in a more detailed manner.

The modern investment and legislative base meeting the requirements and interests of potential investors has been established in the Republic of Tatarstan.

Main laws and other regulatory legal acts regarding the investment activity fulfillment in the Republic of Tatarstan:

The Republic of Tatarstan Law on the investment activity

In compliance with the Law of the Republic of Tatarstan of 25.11.1998 № 1872 «On the investment activity in the Republic of Tatarstan» all investors, including foreign, shall have equal rights to the investment activity fulfillment, with exceptions established by the federal laws. Property and property right investment into the objects of the investment activity shall be considered the unalienable right of the investor and protected by the legislation.

Operation of the Law embraces the relationships connected with the investment activity fulfilled in the form of investments into the main capital (capital assets) including in the form of investments into the new construction or reproduction of the operating enterprises (enlarging, reconstruction, technical modernization), purchase of equipment, project and survey activities and other costs.

The Law stipulates the form and methods of the investment activity state regulation, including the following:

- Beneficial conditions of land use and other natural resources within the ownership of the Republic of Tatarstan in compliance with the Law;

- Financial rent (leasing);

- Development, approval and fulfillment of inter-municipal investment projects as well as those for the objects of state property of the Republic of Tatarstan, funded from the means of the Republic of Tatarstan budget;

- Granting by tender of state guaranties for the investment projects from the means of the Republic of Tatarstan budget within the procedure stipulated by the laws of the Republic of Tatarstan;

- Distribution by tender of the means of the Republic of Tatarstan budget for funding of the investment projects. Such distribution of funds is fulfilled on the repayment basis limited by the term with reimbursement of interest for their use, determined by the law on the budget of the Republic of Tatarstan, or on conditions of the part of the shares of the established joint stock company allocation to the republican property. The shares shall be subject to realization upon the certain period of time at the securities market, the revenues being directed to the budget of the Republic of Tatarstan within the procedure established by the laws of the Republic of Tatarstan;

- Budget of the Republic of Tatarstan credits provision for the investment projects realization on the territory of the Republic of Tatarstan;

- Development, approval and funding of investment programs for the next financial year;

- Benefits in the regional taxes and charges provision, decrease of the corporations profit tax rate in compliance with the legislation, as well as other benefits in taxes and charges, the provision of which has been allocated by the legislation to the jurisdiction of the subjects of the Russian Federation;

- Concessions granting to the Russian and foreign investors by the results of the competitive tendering (auctions and competitions) in compliance with the legislation;

- Issue of bonded loans, guaranteed targeted loans.

The law stipulates the provision, which guarantees by the state of the investment activity subjects' rights stability, granted to them by the contracts concluded prior to the adoption of the legislative acts, the contractual provisions being valid to the total period of their operation.

The Law of the Republic of Tatarstan on the foreign investments

The Law of the Republic of Tatarstan of July 19, 1994 № 2180-XII «On foreign investments in the Republic of Tatarstan» envisages the following state guarantees of the foreign investments' protection:

- Guarantee of legal protection of legal investors;
- Guarantee of compensation by the nationalization and requisition of the foreign investor's property or of the commercial organization with the foreign investors;
 - Compensation and losses reimbursement to the foreign investors;
 - Guarantee of payments transfer connected with the foreign investments;
 - Guarantee of payments in the RF currency validity on the territory of the Republic of Tatarstan;
 - Guarantee against the unfavorable alteration of the legislation in the Republic of Tatarstan.

The present Law envisages, in case of new laws or other regulatory legal acts of the Republic of Tatarstan coming into force, making the activity conditions of the foreign and commercial organizations with foreign investments worse, that for the period of the invest project repayment, but not exceeding seven years, the conditions shall be valid, determined by the investment agreement (contract) and the legislation in force at the moment of the regulatory legal acts adoption making worse the investors' activity conditions.

In compliance with the Law «On alterations of the Law «On the foreign investments in the Republic of Tatarstan» of September 23, 2003, the registration procedure of commercial organizations with foreign investments has been altered, and is fulfilled at present in the same way as the registration of the Russian companies, which makes the procedure of commercial organizations with foreign capital participation establishment much easier.

The Resolution of the Cabinet of Ministers approving the provision on the state support granting

The Resolution of the Cabinet of Ministers of the Republic of Tatarstan of 07.05.1999 № 284 envisages granting of state support to the enterprises realizing investment projects in the following forms:

- Crediting on the repayment basis from the budget of the Republic of Tatarstan;
 - State guarantees of the Republic of Tatarstan granting;
 - Taxation benefits granting;
 - Other measures not prohibited by the legislation in force.

The Resolution determines as well the unified requirements to the documents of financial and other types of state support granting; procedure and methods of evaluation of the legal and economic activities efficiency, business plans of the enterprises' investment.

The Cabinet of Ministers Resolution on adoption of the provision regarding the procedure and conditions of the contract on the investment project realization conclusion.

The Cabinet of Ministers of the Republic of Tatarstan Resolution of 24.06.2006 № 377 stipulates the procedure and condition of the Contract conclusion on the investment project realization between the subject of the investment activity aiming at the taxation benefits, and the Ministry of Economy of the Republic of Tatarstan, additionally to business plan and documents stipulated by the Resolution of the Cabinet of Ministers of the Republic of Tatarstan of 07.05.1999, №284 «On approval of the provision on the procedure of the state support granting to the enterprises and organization realizing the investment projects in the Republic of Tatarstan».

Resolution of the Cabinet of Ministers on the additional measures of the investment attraction increase of the leading enterprises of the Republic of Tatarstan

For the purposes of making easier of the access for the foreign investors to the information on the financial-economic condition of enterprises, the Resolution of the Cabinet of Ministers of the Republic of Tatarstan of 16.10.1997, № 780 stipulates the provision envisaging the financial statements of the leading enterprises of the Republic of Tatarstan granting in compliance with the international standards.

1.2 Separate forms of the investment activity state support

1.2.1 Taxation benefits

Taxation rates alteration regarding the taxation sums allocated to the budget of the Republic of Tatarstan, including their deduction, shall be established on the basis of the corresponding laws of the Republic of Tatarstan.

In compliance with the Law of the Republic of Tatarstan of 25.11.1998, № 1872 «On the investment activity in the Republic of Tatarstan» the subjects of the investment activity, having concluded the Contract on realization of the investment project with the authorized body of the Cabinet of Ministers of the Republic of Tatarstan, shall be exempt from the federal taxes payment regarding the part, allocated to the budget of

the Republic of Tatarstan, and the republican taxes in compliance with the legislation of the Russian Federation on taxes and charges.

Taxation benefits are granted to the subjects of the investment activity to the period of the investment project prepayment, but cannot exceed seven years since the moment of the investments commencement. The subjects of the investment activity realizing their projects in the machine building field shall be granted taxation benefits to the period till thirteen years since the commencement of the investments.

Profit tax

The Law of the Republic of Tatarstan of 02.08.2008 №53-3PT «On establishing of the tax rate for the profit tax of organizations for the certain categories of taxpayers» envisages the 13,5 percent tax rate decrease for the tax, which is subject to allocation into the Republic of Tatarstan budget, in particular, for the subjects of the investment activity established for the purpose of investment projects realization in compliance with the Law of the Republic of Tatarstan of 25.11.1998 №1872 «On the investment activity in the Republic of Tatarstan», as well as for the subjects of investment activity, concluding contracts on realization of investment projects within the procedure and in compliance with the present Law.

The Law of the Republic of Tatarstan of 10.02.2006 №5-3PT «On establishing of the tax rate for the profit tax of organizations –residents of the Special Economic Zone of the industrial-production type, established on the territory of Elabuzhsky district of the Republic of Tatarstan» envisages the 13,5 percent tax rate decrease for the tax, which is subject to allocation into the Republic of Tatarstan budget for organizations –residents of the Special Economic Zone of the industrial-production type, established on the territory of Elabuzhsky district of the Republic of Tatarstan from the activity fulfilled on the territory of the Special Economic Zone, provided the separate accounting of revenues (expenditures) is being fulfilled, which are accrued (incurred) by the fulfillment of the activity beyond the territory of the Special Economic Zone.

Property tax

The Law of the Republic of Tatarstan of 28.11.2003 №49-3PT «On the property tax of organizations» stipulates the 0,1 percent rate for the property newly established, obtained by the organization for realization of the investment project in compliance with the contract of the investment activity fulfillment concluded as per the Law of the Republic of Tatarstan of 25.11.1998 №1872 «On the investment activity in the Republic of Tatarstan».

The Law stipulates as well the tax benefits, in particular, tax exemption of those taxpayers' property, who realize their investment projects on the territory of the industrial site of the Elabuzhsky automobile plant «Alabuga» located in Elabuzhsky district of the Republic of Tatarstan, as well as for the organization in respect of the property accounted on the balance of the organization-resident of the Special Economic Zone of the industrial-production type, established on the territory of Elabuzhsky district of the Republic of Tatarstan within 10 years since registration of the property.

Transportation tax

Transportation tax mandatory for repayment on the territory of the Republic of Tatarstan, has been enforced by the Law of the Republic of Tatarstan of 29.11.2002 №24-3PT «On transportation tax». The present Law stipulates taxation benefits, in particular, tax exemption of the following:

- Taxpayers, realizing investment projects by the contracts concluded prior to January 1, 2005 in compliance with the Law of the Republic of Tatarstan «On the investment activity in the Republic of Tatarstan», as well as
- organizations-residents of the Special Economic Zone of the industrial-production type, established on the territory of Elabuzhsky district of the Republic of Tatarstan within 10 years since registration of the transportation means.

Standard system of taxation on the territory of the Republic of Tatarstan

Tax designation	Rate	Distribution by the budgets		
		Fed.	Region.	Local
1. Profit tax	20,0%	2%	18%	-
2. VAT tax	18,0%	18,0%	-	-
3. Property tax	2,2%	-	1,1%	1,1%
4. Land tax	1,5%	-	-	1,5%
5. Transportation tax	Rates depending on the type and capacity of the means of transport		Rates depending on the type and capacity of the means of transport	

Beneficial taxation system on the territory of the Republic of Tatarstan by realization of the investment project

Tax designation*	RateDistribution by the budgets
	Fed. Region. Local
By conclusion of the Agreement between the investor an authorized body of the Cabinet of Ministers of the Republic of Tatarstan	
1. Profit tax	13 5% Up to 15,5% 2%, – " (benefit of 4,5%)
2. Property tax	01% Up to 0,1% - 0% " (benefit of 2,1%)
3. Transportation tax	Up to 0% 0 %
Upon the decision of the legislative body of the municipal entity of the Republic of Tatarstan	
4. Land tax	0% up to 0% – /1 рп/1(benefit of 1,5%)

* Value added tax (VAT) shall not be subject to benefits, as it is totally allocated into the Federal budget

1.2.2 Non-taxation forms of investment projects support

Apart from taxation benefits, the Resolution of the Cabinet of Ministers «On the Provisions approval regarding the procedure of state support granting» of 07.05.1999, № 284 stipulates granting of state support to the enterprises realizing investment projects in the following forms:

- Crediting on the repayment basis from the budget of the Republic of Tatarstan;
- State guarantees of the Republic of Tatarstan granting;
- Other measures not prohibited by the legislation in force.

The obligatory conditions of state support to the enterprises and organizations of the Republic of Tatarstan granting, regardless of the forms of property, by realization of the investment project in this case, are the following:

- Separate accountancy fulfillment by operations, connected with realization of the project;
- Availability of the auditor's resolution of the accountancy statement for the previous and the current years;

- Availability of the environmental protection expertise bodies resolution;
- Availability of the Certificate from the Federal taxation service administration in the Republic of Tatarstan, certifying the absence of the insolvency (bankruptcy) procedure initiated in respect of the enterprise;
- Absence of the overdue arrears by the means earlier granted on the repayment basis from the budgets of any levels;
- Absence of arrears by the repayment of labor payment, as well as the level of this payment non lower than industry average in the Russian Federation or the republican average indexes, and minimal labor payment of the employees not lower than the established minimal consumption budget in the Republic of Tatarstan;
- Absence of non-settled obligations by the earlier granted state and municipal guarantees;
- Availability of own means of the organization for realization of the following:
 - Small projects, with capital investments not exceeding 30 mln. Rubles, – own means in the amount not less than 20% of the project value (by the business-plan);
 - Medium-size project with capital investments comprising over 30 mln. Rubles, but not exceeding 350 mln. Rubles, – own means in the amount not less than 10% of the project value (by the business-plan);
 - Large project with capital investments comprising over 350 mln. Rubles, but not less than 800 mln. Rubles, – own means in the amount not less than 5% of the project value (by the business-plan); over 800 mln. Rubles, – own means in the amount not less than 1% of the project value (by the business-plan).

For granting of state support to the enterprise realizing the investment project, the corresponding branch ministry shall transfer the following documents to the **Ministry of Economy of the Republic of Tatarstan**:

- Application of the enterprise for granting of the state support;
- Documents, confirming the fulfillment of the above named requirements;
 - Accountancy statements and reports of revenues and losses for the last two fiscal years and for the last reported date with the mark of the territorial body of the Federal taxation service of the Russian federation of their acceptance;
 - Documents confirming the availability of fulfillment provision by the guarantee beneficiary of obligations regarding fulfillment of the recourse claim to him in connection with the guarantee fulfillment;

- Business- plan;
- Certificate of all forms of state support rendered to the enterprise;
- Resolution of the investment project compliance with the main requirements of the Program of social-economic development of the Republic of Tatarstan and of the possibility to grant state support to the enterprise realizing the investment project.

Ministry of Economy of the Republic of Tatarstan shall prepare the following:

- Resolution of compliance of the submitted investment project to the main tasks, determined in the Program of social-economic development of the Republic of Tatarstan and in the Investment Memorandum of the Republic of Tatarstan;
- Resolution of the activities feasibility stipulated by the business-plan, their efficiency for the economy of the Republic of Tatarstan and compliance of technical-business calculations with the acting guidance documents.

In case of the positive resolution, the Ministry of Economy of the Republic of Tatarstan forwards a set of the enterprise's documents to the Ministry of Finance of the Republic of Tatarstan for coordination, and then to the Cabinet of Ministers for decision making regarding the granting to the enterprise realizing the investment project of state support by one of the afore mentioned forms.

Upon making the decision of state support granting by the Cabinet of Ministers of the Republic of Tatarstan, the Contract of the investment project realization is being signed between the enterprise and the authorized body determined by the Cabinet of Ministers of the Republic of Tatarstan. The enterprise receiving state support, shall submit a quarterly reporting information to the Ministry of Economy of the Republic of Tatarstan and other bodies of the investment project realization process.

In compliance with the Directive of the Cabinet of Ministers of the Republic of Tatarstan of 11.03.2001, № 123 «On additional measures of state support of the enterprises (organizations) of the Republic of Tatarstan, realizing the investment projects», the enterprises (organizations) of the Republic of Tatarstan attracting bank loans for realization of investment projects along the priority lines of economic development of the republic shall receive state support in the form of targeted subsidies, granted for repayment of the part of the interest envisaged by the credit contract provisions.

2. Investment policy and investment climate of the Republic of Tatarstan

2.1 General economic characteristics of the Republic of Tatarstan

Tatarstan is one of the most economically developed regions of Russia. The Republic is situated in the center of the large industrial region of the Russian Federation, on the crossroads of the most important main lines connecting east and west, south and north of the country.

The Republic of Tatarstan possesses rich natural resources, mighty diversified industry, and high intellectual potential and qualified labor force.

Industrial profile of the republic is determined by the fuel and petrochemical branches of industry (oil extraction, synthetic rubber production, tires, polyethylene and a wide spectrum of oil refinery products), large machine building enterprises manufacturing competitive products (heavy-duty trucks, helicopters, planes and airplane engines, compressors and oil pumping equipment, river and sea vessels, versatile motor cars), as well as developed electric and radio devices construction.

By the general investments volume into the main capital the republic occupies the first place among the regions of the Privolzhsky Federal Region, and the sixth place- in the whole Russia. The major share in the investments structure falls to power engineering and petro- and gas chemistry, including 60% belonging to the «TANECO» complex.

INNOVATION PORTRAIT

- The share of enterprises active in innovation process among all Tatarstan enterprises – 18,1%
- The share of innovation products in the gross regional product – 15,5%
- Specific value of innovation product in the total amount of shipped goods from the innovation-active enterprises – 20.2%
- Share of innovation products in the total amount of export – 18%
- The share of the purchased innovation products, including nano-technological goods, in the total amount of state procurement – 5%.

Geography of the foreign trade



115 countries were the trade partners of the Republic of Tatarstan in the 1st quarter 2013. Export trade operations were fulfilled with 97 countries, import operations – with 81 countries.

The share of far abroad countries in the republican trade comprised 96,5%. The leading place in commodities export belongs to the far abroad countries – 97,8%. Their share in import comprises – 87,8%.

2.2 Description of investment climate of the Republic of Tatarstan

Below you can find tabulated current ratings appropriated to the Republic of Tatarstan by international and Russian credit reference agencies:

Credit rating of the Republic of Tatarstan

Period (year).	 STANDARD & POORS	 Moody's Corporation	FitchRatings
2002	CCC+/positive	B1/ stable	-
2003	B-/ stable	Ba3/ stable	-
2004	B-/ positive	Ba1/ stable	-
2005	B/ positive	Ba1/ stable	BB/ stable
2006	BB-/ stable	Ba1/stable	BB/ stable
2007	BB-/ positive	Ba1/stable	BB+/ positive
2008	BB / positive	Ba1/stable	BBB-/stable
2009	BB / stable	Ba1/stable	BBB-/stable
2010	-	Ba1/stable	BBB-/ stable
2011	-	Ba1/stable	BBB-/ stable
2012			BBB/ stable
2013	-		BBB/ stable

The Republic of Tatarstan is among the most attractive regions of Russia from the perspective of investment, which is determined by the best configuration of high investment potential and low investment risk. This assumption is proved by the data acquired from the international rating agencies.

As follows from the report «Measurement of conditions for doing business in the Russian regions» prepared by the Russian Economic

School and the international company Ernst&Young in 2011, Tatarstan has been acknowledged the most favorable region for doing business in Russia. The Republic of Tatarstan in 2011 has become the leader of the rating «30 best regions of Russia for doing business and investments» according to the leading international publication «Forbes».

According to the data acquired from the Russian rating agency «Expert RA» by the results of 2011–2012 of the general rating among 83 Russian regions the Republic of Tatarstan belongs to the number of the «basic leading regions». By the results of 2012 Tatarstan took the fifth place (in the group «Maximal potential – minimal risk (1A)») having moved from the 10th place (in the group «Average potential- medium risk (2C)»), which it occupies by the results of 2011.

The World Bank and International Financial Corporation (IFC) have made the national rating of conditions for doing business in Russia «Doing Business in Russia – 2012».

As follows from the named rating, as far as the 30 cities of the Russian Federation are concerned, which participated in the research «Doing business in Russia in 2012», the easiest way of doing business is in Ulyanovsk, Saransk and Vladikavkaz. The fourth place is occupied by Rostov-on-Don, and the fifth – Kazan.

2.3 Investment Declaration of the Republic of Tatarstan

INVESTMENT LEGISLATION

- The Republic of Tatarstan Law of 19.07.1994 No 2180-II «On foreign investments in the Republic of Tatarstan».
- The Republic of Tatarstan Law of 25.11.1998 No 1872«On investment activity in the Republic of Tatarstan».
- The Republic of Tatarstan Law of 01.08.2011 No50-3PT «On state and private partnership in the Republic of Tatarstan».
- The Republic of Tatarstan Law «On the investment tax credit in the Republic of Tatarstan» .
- The President of the Republic of Tatarstan Decree of June 18, 2012 No VII-477 «On the investment declaration of the Republic of Tatarstan».
- Resolution of the Cabinet of Ministers of the Republic of Tatarstan of 07.05.1999 No 284 «On approval of Regulations on the procedure of state support granting to the enterprises and organizations realizing investment projects in the Republic of Tatarstan».

• Resolution of the Cabinet of Ministers of the Republic of Tatarstan of 24.07.2006 No 377 «On approval of Regulations on the procedure and terms of the Agreement conclusion on the investment project realization between the subject of the investment activity and the Ministry of Economy of the Republic of Tatarstan, and the form of the investment project realization Contract».

1. The present Investment Declaration (further – Investment Declaration) declare the general key principles of the RT power bodies interrelation with the subjects of entrepreneurship and investment activity.

2. Relations connected with the investment activity, fulfilled by the investors in the form of investments into the main capital on the territory of the Republic of Tatarstan are guided by the international contracts of the Russian Federation, Civil Code of the Russian Federation, federal laws and regulatory legal acts of the Republic of Tatarstan.

3. General principles determining the meaning and contents of RT state power bodies activity providing the beneficiary investment climate:

Equality – non-discriminating approach toward all subjects of business and investment activity within the frames of the pre-determined and public system of priorities;

Involvement – participation of business and investment activity subjects in the process of state decisions making and evaluation of their realization;

Transparency – accessibility of documentary information of RT power bodies (except information belonging to the category of confidential);

Effective practice – orientation at the best practice, from the point of view of the subjects of business and investment activity, of interrelation of the Republic of Tatarstan with the subjects of business and investment activity.

4. The Investment declaration has been developed on the basis of the following documents:

The Law of the Republic of Tatarstan of 19.07.1994 № 2180-XII «On the foreign investments in the Republic of Tatarstan»;

The Law of the Republic of Tatarstan of 25.11.1998 № 1872 «On the investment activity in the Republic of Tatarstan»;

The Law of the Republic of Tatarstan of 29.11.2002 № 24-3PT «On transportation tax»;

The Law of the Republic of Tatarstan of 28.11.2003 № 49-3PT « On property tax of organizations»;

The Law of the Republic of Tatarstan of 10.02.2006 № 5-3PT « Of the tax rate establishment by the profit tax for the organizations-residents of the Special Economic Zone of the industrial-production type, established on the territory of Elabuzhsky district of the Republic of Tatarstan»;

The Law of the Republic of Tatarstan of 02.08.2008 № 53-3PT «On establishing of tax rate by the profit tax of organizations for the separate categories of taxpayers»;

The Law of the Republic of Tatarstan of 01.08.2011 № 50-3PT «On state-private partnership in the Republic of Tatarstan»;

The Law of the Republic of Tatarstan of 10.10.2011 № 68-3PT «On the investment taxation credit in the Republic of Tatarstan».

5. The Investment Declaration is subject to placement of the official portal of the Republic of Tatarstan in the information-telecommunication net «Internet».

6. Guarantees of the investors' rights protection in the Republic of Tatarstan

6.1. The Republic of Tatarstan guarantees in compliance with the legislation of the Russian federation in force, the protection of investments, as well as their rights and interests regardless of the property form.

6.2. Investments in the Republic of Tatarstan shall not be subject to nationalization and cannot be exposed to requisition or confiscation, except for the cases and within the procedure stipulated by the legislation in force of the Russian Federation.

6.3. The following guarantees are granted by the Republic of Tatarstan in compliance with the laws of the Republic of Tatarstan of 25.11.1998 № 1872 «On the investment activity in the Republic of Tatarstan» and of 19.07.1994 № 2180-XII «On the foreign investments in the Republic of Tatarstan»:

- Provision of equal rights by fulfillment of the investment activity;
- Publicity in discussing of the investment projects;
- The right to appeal to the court the decisions and activity (inactivity) of the state power bodies of the Republic of Tatarstan, local self-regulation bodies of the Republic of Tatarstan and their officials;
- State support granting in compliance with the legislation in force of the Russian Federation;
- Stability of rights of the investment activity subjects within the investment project repayment period, but not more;
- Seven years since the investment project funding commencement;
- Guarantee against the unfavorable alteration of the RT legislation;

- Guarantee of the foreign investor's right to the acquisition of the property right;
- Guarantee of the foreign investor's right to the acquisition of the shares, parts, equity interests and other securities;
- Guarantee of the foreign investor's participation in privatization;
- Guarantee of granting to the foreign investor of the right to the land lots and other natural resources, buildings, constructions and other real estate property.

6.4. The investor is guaranteed the exemption from all expenditures not connected with the realization of the investment projects.

6.5. The investor is granted the right to the free choice of contractors, suppliers, and any other counteragents.

6.6. The Republic of Tatarstan guarantees the support in realization of the investment projects, including the decrease of administrative barriers regarding the procedures connected with the issue of permitting documentation, with settlement of issues in the Committee for the improvement of the investment climate in the Republic of Tatarstan.

6.7. The Republic of Tatarstan guarantees the investor's support in case of the circumstances connected with violation of terms and conditions of access to the existing mechanisms of support and realization of the investment projects.

6.8. The investor is guaranteed the consideration by the state power bodies of the Republic of Tatarstan and local self-regulation of the Republic of Tatarstan, interrelating with the subjects of the investment activity, of the proposals aimed at elimination of administrative barriers, hindering the realization of investment projects on the territory of the Republic of Tatarstan.

6.9. The investor is offered beneficial conditions for realization of the investment project on the territory of the Republic of Tatarstan, including the highly qualified personnel, production, infrastructural and other support.

6.10. The Republic of Tatarstan undertakes to render support to the investment projects with the high labor productivity, power and ecology efficiency.

6.11. The Republic of Tatarstan grants information-consultation support by realization of the investment project, including placement in the accessible information resources of the information regarding the structure and the capacity of the republican and Russian market, concentration of labor, production and infrastructural resources, necessary for the realization of the investment project.

The Decree of the President of the Republic of Tatarstan On establishment of the Investment Committee of the Republic of Tatarstan

For the purposes of the Law of the Republic of Tatarstan «On the foreign investments in the Republic of Tatarstan» and the Law of the Republic of Tatarstan «On the investment activity in the Republic of Tatarstan» realization, as well as the improvement of the investment climate of the Republic of Tatarstan **I resolve:**

1. To establish the Investment Committee of the Republic of Tatarstan.
2. To approve the Regulations of the Investment Committee of the Republic of Tatarstan (Addendum №1) and its membership (Addendum №2).
3. The Cabinet of Ministers of the Republic of Tatarstan shall coordinate its acts with the present Decree, as well as make other decisions providing its realization.
4. The present Decree shall come into force from the day of its signing.

**President
of the Republic of Tatarstan R.N. Minnikhanov**

Kazan, Kremlin

July 5, 2012

№ VII-538

www.prav.tatar.ru/pub_127224

Investment tax credit

Within the scope of the Cabinet of Ministers of the Republic of Tatarstan Resolution of 06.09.2013 No642 «On the approval of coordination and decision making procedure of investment tax credit granting in the Republic of Tatarstan» the Minister of Economy of the Republic of Tatarstan has signed the Order of the investment tax credit Contract form approval.

The form of the Investment Tax Credit Contract stipulates the procedure of payments decrease by the respective tax, credit sum (with indication of the tax, for which the organization is granted the investment tax credit), period of the Contract validity, interest accrued to the sum of

the credit, procedure of the credit sum repayment, procedure and period of repayment of the accrued interest, method of obligation insurance performance of tax credit and interest accrued by the Contract repayment, liabilities of the parties.

The Contract form stipulates the provisions prohibiting during its validity term any realization or transfer to other persons of ownership, use or administration of equipment or other property the procurement of which by the organization shall be the grounds for the investment tax credit granting.

2.4 Investment projects of the Republic of Tatarstan

You can get acquainted with the permanently updated list of the investment projects in the Internet by the following addresses:

- <http://mpt.tatar.ru/rus/info.php?id=67041>
- <http://g2b.tatar.ru/rus/finance/inv/listpr.html>
- <http://www.tpprt.ru/> in the division Investment and innovation projects
- <http://ivf.tatar.ru/rus/investmentprojekts.htm>

2.5 Register of investment sites of the Republic of Tatarstan

You can get acquainted with the more detailed information and passport of the site on the following web pages:

- Investment portal of the Republic of Tatarstan: <http://invest.tatar.ru>
- Ministry of Industry and Trade of the Republic of Tatarstan: <http://mpt.tatar.ru/rus/info.php?id=116368>
- Chamber of Commerce and Industry of the Republic of Tatarstan: <http://www.tpprt.ru/index.php?p=42>
- Portal of municipal entities of the Republic of Tatarstan: <http://msu.tatar.ru/>

3. Innovation potential development in the Republic of Tatarstan

• The Article 2 of the Law of the Republic of Tatarstan «On the innovation activity in the Republic of Tatarstan» of 02.08.2010 № 63-3PT determines the definition of the term «innovation (innovation product)»:

- Innovation of the first level – the result of innovation activity not having world analogues, and having practical realization in the form of new goods, service, production means (technology) or other result of public utility with increased efficiency;

- Innovation of the second level – the result of innovation activity, having practical realization in the form of new goods transfer, or service, production means (technology) or other result of public utility, and (or) the results of the existing goods, services, production means (technology, know-how) or other results of public utility, which are new for the country market.

Innovation activity – is the activity connected with the development and implementation of innovation and aimed at its realization in the form of new goods, service, production means (technology) or other result of public utility.

3.1 Development of the regulatory base of innovation activity support

The goal of the innovation policy of the Republic of Tatarstan is the effective economic growth and competitiveness of the RT economy on the basis of scientific-technical potential formation and its effective application, as well as realization of the important social tasks of the Republic of Tatarstan.

For the purpose of innovation and business activity development in the Republic of Tatarstan the following regulatory legal base has been developed:

- The Program of social-economic development of the RT for the years of 2011-2015, approved by the Law of the Republic of Tatarstan of 22.04.2011 № 13-3PT;

- Strategy of the scientific and innovation activity development in the RT till 2015, approved by the Decree of the President of the RT of 17.06.2008 № VII-293;

- The Law of the RT «On the innovation activity in the Republic of Tatarstan» of 02.08.2010 № 63-3PT;

- Innovation Memorandum of the Republic of Tatarstan for the years 2011–2013, approved by the Resolution of the Cabinet of Ministers of the RT of 24.01.2011 № 38;

- The State Report «On the results of innovation activity» is being annually published by the results of the Innovation Memorandum fulfillment, containing the full data base of innovation processes in the economy of the RT.

- For the purposes of innovation activity in RT improvement, the following targeted innovation programs are being developed and approved by the Cabinet of Ministers of the Republic of Tatarstan:

- Targeted program «Development of bio-technologies in RT for the years of 2010–2020», approved by the Resolution of the RT Cabinet of Ministers of 24.03.2010 № 180;

- The Program of petro- gas chemical complex of RT for the years of 2010–2014, approved by the Resolution of the RT Cabinet of Ministers of 19.04.2010 № 275.

The List of the prospective innovation projects realized in the RT is in the Addendum to the Innovation Memorandum of the Republic of Tatarstan for the years 2011–2013.

3.2 Creation of the innovation activity development infrastructure

3.2.1 Establishment of technoparks

Technological Park (technoparks) is one of the widely used in the world practice forms of innovation business. It is very prospective in the modern economic conditions and uses a versatile support of the state. The aim of technoparks is the mutually beneficial partner relationships development of the scientific and educational complex, science-incentive business with the state bodies.

The Federal legislation fails to formulate the general notion of the «technological park». Nevertheless, different regulatory-legal acts of the federal and regional level envisage the technoparks establishment as applied to the various branches and directions in science and industry.

The absence of the federal legislation in this period allows settling a lot of issues connected with the establishment and operation of technoparks on the level of the subject of federation.

In compliance with the Law of the RT «On the innovation activity in the Republic of Tatarstan» technopark is a legal entity, its main type of activity is rendering of information-consultation services complex to the subjects of small and medium-size business, services of office and production areas rent and equipment leasing for the purposes of activity fulfillment aimed at the implementation of newprospective technologies, production of science-incentive goods and support of small and medium-size enterprises of innovation profile support.

Open Joint-Stock Company «Innovative Technopark «IDEA» www.tpidea.ru

The business incubator began to operate on February 5, 2004. Establishment of the Innovative Technopark «Idea» was made according to the decision of the Cabinet of the Republic of Tatarstan No. 640 of November 12, 2002.

Main goal is commercialization of high technological ideas through setting up and further development of small-size companies.

Advanced infrastructure allows us to offer the innovative companies located in the Technopark «Idea» a full range of services necessary for creation and development of high-tech business.

The concept of the Technopark is the combination of venture management company for start-ups intertwined with administrative support and project financing. For the most part, Technopark's managers take part in running an innovative enterprise.

Infrastructure of the Technopark consists of 3 main subdivisions:

- **Innovative Business Incubator** – office facilities for start-up innovative projects (2 500 sq. meters);
- **Innovative Technology Centre** – production facilities for innovative companies (14 200 sq. meters);
- **Business Park** – office facilities for service companies and developing companies (4 buildings with the total square 10 300 sq. meters).

Open Joint-Stock Company «KAMA Industrial Park Master» KIP Master

KAMA Industrial Park was founded on July 29, 2004 by the Government of the Republic of Tatarstan and OJSC «KAMAZ».

KIP Master specializes in leasing premises and assisting landholders in organizing and developing business.

KIP Master is the only industrial park that focuses on machine-building industry. For Naberezhnye Chelny, opening of the technopark focusing on production was a unique offer. KIP Master acts as an instrument of large-, medium- and small business interaction. When the park emerged it entailed urgent arranging of modern, economically effective production of car components which is not cost effective for large companies.

The modern production buildings of the park comprise 107 thous. m², administration and utility areas of 31 thous. m².

Apart from the low rent cost and opportunity to change the allocated areas, the residents «KIP Master» possess a number of privileges, among them the following:

- The first 1,5 months the rent is not accounted, the next 4 months the tenants enjoy the holidays in payment of the permanent part of the rent on conditions of their further repayment during a year;

- Residents of «KIP Master» are considered the privileged partners of «KAMAZ» OJSC, which allows them to participate in the programs of outsourcing for production of componentry to the automobiles KAMAZ;

- «KIP Master» residents get beneficiary rights to the grant of the Government of the Republic of Tatarstan for realization of their own business projects. The grant value equals to 1 000 000 Rubles on a non-repayable basis;

- The logistic terminal has been opened on «KIP Master» territory, its category being «A», and the capacity of 18 000 pallet places with modern system of warehouse storage accounting and functions of 3PL provider allowing to optimize the costs of the ready product storage;

- All residents are granted a wide list of services on beneficiary conditions: accountancy, legal, customs, leasing, consulting, and banking, as well as the site creation and promotion.

136 enterprises operate on the territory of «KIP Master», including 37 enterprises working with «KAMAZ» OJSC nomenclature.

Petrochemical park «Khimgrad»

www.himgrad.ru

The territory of Technopolis «Khimgrad» is located in Kazan and embraces the area of 131 Ha. The total area of the buildings and constructions of Technopolis «Khimgrad» comprises over 500 000 m².

Residents of Technopolis «Khimgrad» realizing the approved investment projects are granted a number of important taxation benefits:

- Tax rate by the profit tax decreased to 16 %;
- Exemption from transportation tax;
- Tax rate by the property tax decreased from 2,2% to 0,1%;
- Rent payment calculation coefficient decreased to 0,1 %.

It is planned to locate on the territory of the Petrochemical plant the following units:

- The Center of public usage of pilot petrochemical units;
- Biotechnological Center;
- Laboratory of super critical technologies;
- Corporative University;

- Resident-companies premises, including production ones.

Technopolis «Khimgrad» residents are over 250 small enterprises, including – 6,8% operating in the innovation field.

Limited Liability Company «Innovative Technopark «IDEA-South-East»

www.tpideayv.ru

Innovative Technopark «IDEA-South-East LLC situated in the city of Leninogorsk represents an important industrial unit in the south-east of Tatarstan. Incorporators are «IPT IDEA» JSC, Kazan – 26% and «Tatneft» JSC, Almetyevsk – 74 %

The main goal of the Technopark's work is organization of new production facilities in the town of Leninogorsk by attracting ideas of representatives of small and medium-sized business with the aim of creation of new promising enterprises. The innovation approach of the Technopark's activities is realized in the work with businessmen: the primary direction is realization of projects from an idea in the beginning to creation of a new enterprise as an outcome. The Technopark keeps records of the incoming projects, carries out their analysis and elaboration, business planning, as well as legal, accounting, marketing and technical consulting at all stages of establishment and development of production.

Total area comprises 37993, 90 sq.m. 40 resident companies, 20 of which are individual entrepreneurs are registered there.

High Technology Technopark IT- PARK

www.itpark-kazan.ru

IT-Park is the largest technopark in the sphere of information technologies in Eastern Europe; it is oriented to small and medium size business of software technology

IT-park accommodates:

- IT-Technologies Centre for integrated systems design for machine-building and petrochemical industries.
- Innovation and technology business education centre
- Center for multiple access to high performance computing cluster
- Offices of resident companies

Total square of premises comprises 30 354, 7 sq.meters. As of May 1, 2012 there are 31 residents (26 of which – IT companies and 5 – service-residents).

3.2.2 Industrial- productionSpecial Economic Zone«Alabuga»

423600, the Republic of Tatarstan, Elabuzhsky district, Elabuga, industrial site «Alabuga», street III-2, building 4/1

Phone: (85557)5-90-30; Fax: (85557) 5-90-84, E-Mail: alabuga1@inbox.ru; invest@sezalabuga.ru; Web page: www.alabuga.ru, www.alabuga.oao-oez.ru

General information

SEZ «Alabuga» was founded on December 21, 2005 on the territory of Elabuzhsky municipal district of the Republic of Tatarstan.

The total territory of SEZ is 20 sq. km; it is divided into modules of 5, 10 and 20 ha. For each module all necessary communication lines – roads, electricity, heat supply, gas, water, high-speed communication lines, etc. are provided.

SEZ «Alabuga» has the exit to moto- and railways of federal significance. Transport of freight can be carried out via the following ways:

- airways – 45 km away from SEZ «Alabuga» there is an international cargo- and passenger airport Begishevo;

- railway – the nearest cargo station – Tikhonovo is situated 18 km away from SEZ «Alabuga», larger railway junction «Agryz» is located 150 km away (on the railway line Moscow-Kazan-Agryz-Ekaterinburg-Novosibirsk);

- auto transportation ways – in 500 m from SEZ «Alabuga» passes the motorway of federal significance – M7 (Moscow-Kazan-Ufa-Chelyabinsk);

- water transportation ways – river cargo ports are located in the cities Naberezhnye Chelny and Nizhnekamsk, which can be used for freight transportation to the European part of Russia by the combined water transportation system.

- Residents of SEZ are introduced by three key industries:

- Cars and car components manufacture,
- Polymer processing into a ready product.
- Building materials manufacture.

Apart from that, on the territory of SEZ «Alabuga» there are areas allocated for enterprises of food, pharmaceutical, aircraft industries, wood processing, optic fibre production and machine-tool industry.

The system «One window» operates in the SEZ «Alabuga» for developing of maximum beneficiary climate and real reduction of bureaucratic expenses.

16 State power regulatory bodies are located in the system operating hall, which is situated in the administration and business centre. The list of bodies has been formulated basing on studies of industrial enterprises' needs.

Tax benefits

Residents of the SEZ «Alabuga» will be granted the following tax benefits:

Tax name	Rate	For residents of the SEZ «Alabuga»
1. The profit tax	20.0%	15.5%
2. Corporate property tax	2.2%	0%
3. Land-value tax	1.5%	0%
4. Transport tax	Depending on the vehicle type and engine power	0 rub.

Custom privileges

The territory of special economic zone «Alabuga» is a free customs zone.

In compliance with item 3 Art. 37 of the Federal Law «On special economic zones in the Russian Federation N 116-Φ3 dated July 22, 2005 the following items are under custom treatment of free custom zone:

- 1) goods imported to the customs territory of the Russian Federation from foreign territories;
- 2) goods imported to the territory of special economic zones from the rest of the customs territory of the Russian Federation;
- 3) goods located in the territory of special economic zone and purchased from non-residents of the special economic zone.

The foreign goods are placed and used within the territories of the special economic zone without payment of customs duties and value added tax.

Russian goods are placed and used on terms applicable to export in accordance with export customs regulation, together with payment of excise tax and without payment of export customs duties.

	Rate	For the residents of the SEZ Alabuga
VAT for components and equipment	18 %	0 %
Import duty	Depending on the type of goods	0 %

New opportunities were opened for the residents of SEZ «Alabuga» due to the establishment of Customs Union between Russia, Belarus and Kazakhstan. Companies can export finished products, produced on the territory of SEZ using foreign goods and (or) goods of Custom union countries, to the territory of Custom union countries without paying import custom duties and taxes (VAT) under the conditions of fulfilment of one out of three criteria's of sufficient goods processing, specified in the agreement between the RF government, the Republic of Belarus Government and the Republic of Kazakhstan Government of 18.06.2010 «On issues of free (special, specific) economic zones on the customs territory of the Customs union and customs procedure of Free Customs Zone».

The procedure of SEZ «Alabuga» Resident status acquisition.

The resident of the industrial-production SEZ shall be a commercial organization, except unitary enterprise, registered in compliance with RF legislation on the territory of the municipal entity within the borders of the SEZ and having concluded an agreement with SEZ administration of the industrial-production activity fulfilment within the procedure and on conditions stipulated by the Federal Law №-116 «On Special Economic Zones in the Russian Federation».

In compliance with the Agreement of industrial-production activity fulfillment (carrying out) the resident of the SEZ undertakes:

- to register the legal entity on the territory of the Elabuzhsky municipal district of the Republic of Tatarstan;
- to fulfill production activity within the period of the agreement validity, envisaged in the Agreement;
- to fulfill capital investments in Rubles in the amount of not less than three million Euro (including not less than one million Euro during one year since the date of the Agreement conclusion) by the rate of the Central Bank of RF as of the date of the Application submitting regarding the Agreement conclusion of industrial-production activity fulfillment to the administrative bodies of SEZ.

The Companies complying with these criteria can submit their documents to the following bodies:

- the project is brought to the consideration of the Supervisory Committee of SEZ «Alabuga»;
- in case of the positive Resolution of the Supervisory Committee, the copies of all documents, as well as the Decision of the Supervisory Committee are transferred for consideration to the Expert Council under the Ministry of Economic Development of the Russian Federation.

The person aiming at acquisition of the resident status in the SEZ, shall submit to the Administrative bodies of SEZ the Application for the Agreement conclusion of industrial-production activity fulfillment, containing the following:

- Information on the applicant's planned activities, relevant to the type of the special economic zone;
 - Information on the area of the land plot required for the applicant's planned activity;
 - Information on the planned amount of capital investments, including the amount of capital investments for a year starting with the day of conclusion of agreements on industrial and production activity conduction.
 - Positive conclusion on the applicant's submitted business plan, prepared by a bank or another credit organization, applicable criteria, stipulated by the federal executive power body authorized for normative-and-legal regulation in the field of creation and operation of special economic zones.
- Business plan
 - Copy of State Registration Certificate
 - Copy of Certificate of Registration with a Tax Authority
 - Copy of Constituent documents

3.2.3 Smart City of XXII century «SMART City Kazan»

SMART City Kazan – is an infrastructural project of the Republic of Tatarstan of new investment site development for promotion of the international and Russian business, scientific, educational and business activity.

SMART City Kazan is able to transform Kazan, the capital of Tatarstan, into the full-scale international business center with modern and comfortable life, work and recreation conditions.

The project of the green city SMART City Kazan development is one of the first examples in Russia of the integral territory planning in compliance with the «smart city» concept.

- Population: 58 800
- Planned annual tourist flow: 337 000
- Working places: 39 000
- Dwelling units: 16 620
- Gross floor area (GFA)

Location

• SMART City Kazan has a beneficial location in the proximity of the Kazan International Airport, the city having the status of the third capital of Russia.

• «Kazan» International Airport provides flights in Russia, far abroad and former CIS countries (flights are fulfilled in 22 countries of the world). In 2012 the airport has handled 1mln.487 thous. Passengers, the traffic of the Kazan airport growing permanently. During the first 8 months of 2013 the «Kazan» International Airport has handled by 26,5% more as compared with the similar period of the last year (over 1,2,mln. passengers.)

• New aeroexpress line launched in 2013 and connecting the airport with the city center adds value to the long-term project of the SMART City Kazan.

Public business center

International center of exhibitions and conferences with the total area of 42 000 m² will become social and economic driver of public and business center. Gross floor area of business activity will comprise 800 000 m² of commercial property of A and B class. Apart from the exhibition center it is planned to open a hotel, trade centers, apartments, offices.

Scientific and educational center

The University campus will be located on the territory with the total area of 156 000 m². It is able to host 10 000 students. Apart from the scientific and educational institutions there will be located a sports arena, medical center, trade center, dwelling quarters and research technology parks for 5 000 working places.

Special economic zone – is a «green light» for the development of high technology production and applied science. SEZ will provide companies engaged in Russia and CIS with tax and other preferences.

3.2.4. Innopolis

Project description

Innopolis is a project of the new city development, which will unite young highly qualified specialists from all territory of the country thus increasing innovation potential of the Russian Federation.

Prospective number of Innopolis population is 155 00 people, 60 000 of which are highly qualified specialists. Innopolis is a smart city with diversified business infrastructure (technological parks, development centers, etc.), the first in Russia University specializing in the field of information technologies (in partnership with Carnegie Mellon University, USA), full range of social and commercial infrastructure (schools, kindergartens, hospitals, trade centers, restaurants, etc.) and different types of dwelling (from apartment houses to town-houses and villas), the majority of which will be rented to the employees of the companies-residents with the right to further buying out.

The project starts on June 9, 2012.

The first enrollment into the University has been fulfilled already in September, 2013.

The first stage of Innopolis construction (infrastructure for life and work of 5 000 people) will be finished all over in 2015.

Mission

Opportunities development for economic advance through development of high technologies, increase of the nation welfare and creation of the highly intellectual society.

Strategy

Attraction of the best specialists in the field of high technology for creation of innovation products, and the best in the country education.

Study, live, work, rest

The main principle of Innopolis – development of such conditions, in which comfortable living and work in the best companies will neighbor with the perfect recreation and education media.

3.2.5 About TIDA

The Tatarstan Investment Development Agency (TIDA) is a special executive body of the Government of Tatarstan founded in 2011 to carry out investment promotion and facilitation. TIDA is responsible for all international investment and business projects in the Republic of Tatarstan, reporting directly to the President of Tatarstan.

Our agency operates as a one-stop center to qualified investors exploring investment opportunities in Tatarstan. The range of services we provide includes:

- Attracting investment to Tatarstan

- Providing comprehensive information and statistics on priority business sectors and investment opportunities in Tatarstan

- Facilitating site selection process and determining project requirements

- Supporting the entry and establishment of foreign businesses in Tatarstan

- Assisting in finding local companies for joint ventures and identifying suppliers and other business partners

- Aftercare services to identify main problems affecting established investors

TIDA focuses its efforts on attracting investment into eight priority sectors of the Tatarstan economy: chemical & petrochemical, machinery & automotive parts, construction & building materials production, agriculture & food processing, medicine & pharmaceuticals, IT & telecommunications, Halal industry, and service industry & tourism.

In carrying out our work, we work closely with 20 representative offices of the Republic of Tatarstan that are located across Russia and in Kazakhstan, Turkmenistan, Azerbaijan, Uzbekistan, Belarus, Ukraine, France, Turkey, Cuba, Finland, the Czech Republic, Switzerland, and the United States. Together with the Plenipotentiary Representative Office of Tatarstan in Moscow we regularly hold investment seminars in Moscow to provide detailed information to multinational companies about the opportunities available in our republic.

One way in which the Republic of Tatarstan has distinguished itself from other regions of Russia is the emphasis it has placed on creating the necessary infrastructure to support and attract foreign capital. The republic to date has four industrial parks, seven technoparks, six business incubators, three agro-industrial parks, and two large industrial platforms. Among the most successful of these investment sites is the Special Economic Zone (SEZ) Alabuga, a federal special economic zone for industrial production. Since it was founded in 2005, SEZ Alabuga has attracted over \$1 billion of investment and created over 2,800 jobs.

One of the main development and investment projects of the Republic of Tatarstan is Kazan Smart City, a groundbreaking urban development project designed to spur investment into high technology, medicine, education and tourism, transforming Tatarstan's capital of Kazan into an international business hub with ideal conditions for working and living.

**Chief Executive,
Tatarstan Investment Development
Agency**

Taliya Minullina

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3.2.6 Investment and Venture Fund of the Republic of Tatarstan

State non-commercial organization Investment and Venture Fund of the Republic of Tatarstan was established according to the Resolution No. 928 of the Cabinet of Ministers of RT on November 17, 2004, for development of innovative activities in the Republic of Tatarstan.

Mission of the Fund is advancement of innovation potential of the Republic of Tatarstan, development of science-intensive industries and implementation of new advanced technologies, new approaches to development of innovation activities, innovations support, arrangement of conditions for venture capital businesses, and further support of science-intensive small and medium-sized business.

Main fields of activity:

- innovation support, facilitation and mastering of new products and methods of production;
- development of scientific and technical products market;
- advancement of priority branches of Tatarstan economy;
- support of medium-size and small businesses in the Republic of Tatarstan;
- mobilization of investment and venture capital for investment-attractive projects for priority branches of Tatarstan economy;
- exhibition activities aimed at increasing investment potential of the Republic of Tatarstan.

The Fund has nineteen Representative Offices in the Volga region.

Investment Memorandum of the State non-commercial organization Investment and Venture Fund of the Republic of Tatarstan for 2009-2011

approved by the Council of Trustees of the Fund on December 16, 2008, specifies priorities of the Fund's investment policy for the years 2009-2011, selection criteria for investment projects with the view of participation of the Fund in their implementation.

Primary objectives of the Fund in investment sphere are:

- advancement of priority branches of economy of the Republic of Tatarstan,
- attraction of investment and venture capital to investment-attractive projects for priority branches of Tatarstan economy,
- support of medium-size and small businesses in the Republic of Tatarstan.

The Fund invests in all branches of economy of the Republic of Tatarstan with high rate of added value except for:

- activities related to casinos and gambling;
- activities related to trade in excisable goods: alcohol and tobacco products;
- retail and wholesale trade.



Director of the Fund:

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3.2.7 JSC Tatneftekhiminvest-holding

JSC Tatneftekhiminvest-holding is a coordinating expert centre carrying out a wide range of activities in petrochemical and gas-chemical complex.

Products manufacture is beyond the scope of activity of JSC Tatneftekhiminvest-holding.

The primary objective of the holding is promotion of comprehensive implementation of intellectual, material, natural resources, manufacturing, and scientific and technical potential of petrochemical and gas-chemical of the Republic of Tatarstan with the view of attainment of profits.

Effectivization of petrochemical and gas-chemical complex of Tatarstan through rational utilization of hydrocarbon and mineral materials;

Development and implementation of measures on efficient use of scientific and technical potential for advancement of petrochemical and gas-chemical industry and allied industries in the Republic of Tatarstan. With this view the holding has established close links with various national and foreign scientific organizations and institutes (Institute of Catalysis in Novosibirsk, Institute of petrochemical synthesis named after Topichev, Scientific and research institute VNII of oil refining, Institute of chemical physics, Kazan State Technological University; among foreign partners are Ferrara Un., STC Basell, STC BASF and others)

The Holding founders are major companies of petrochemical and gas-chemical industry and the Government of the Republic of Tatarstan. Its structure incorporates leading petrochemical and gas-chemical factories of Tatarstan.

JSC Tatneftekhinvest-holding has developed three expansion programs for the industry (for the years 1999-2003, 2004-2008, and 2010-2014) indentifying the strategy of the industry development.

The last program envisages implementation of large-scale investment projects in oil production, refinery, and petrochemistry, total value of which estimated by results of the first two programs is about 196 bln. rubles.

Investment activity of JSC Tatneftekhinvest-holding includes major strategic projects pertaining to exploration and development of new hydrocarbons deposits, establishment of new chemical facilities and renovation of operating ones. The projects are primarily implemented out of attracted capital of foreign investors. In particular, JSC Tatneftekhinvest-holding participated in development and implementation of the following programs:

- a-olefin sulfonates production at JSC Nefis-Cosmetics (Ballestra company);
- construction of Nizhnekamsky oil refinery plant (companies Foster-Willer, JSC VNIPIneft);
- foamed polystyrene production;
- ABS resin production at JSC Nizhnekamskneftehim;
- halobutyl rubber production;
- expanding capacities of ethylene output at JSC Kazanorgsintez, JSC Nizhnekamskneftehim;

- complex of oil refinery and petrochemical plants for JSC Tnaeko, and other projects;

Foreign experts see petrochemical and gas-chemical complex of the republic as having vast production, technological and intellectual potential, qualified workforce. It is always open for cooperation with foreign partners, and establishment and development of business relations with them is facilitated by stable political environment in the Republic of Tatarstan.



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Director General

Doctor of Chemical Science
Rafinat S. Yarullin

3.2.8 Leasing Company of Small Business of the Republic of Tatarstan

Leasing Company of Small Business of the Republic of Tatarstan LLC (LCMB-RT) was established in September 2005 by the State non-commercial organization Investment and Venture Fund of the Republic of Tatarstan and Chamber of Commerce and Industry of the Republic of Tatarstan

Main field of activity of the company is support of small and medium-size businesses, implementation of investment and innovation projects in priority directions for the republic using leasing tools.

Following the results of 2007, the regional Office of the Federal Antimonopoly Service determined the leasing service market share of LCMB-RT LLC as 4.82%.

In followup of 2008 LCMB-RT LLC is ranking 100-th in the «TOP 150» rating by RA-Expert agency.

- The company leases industrial plant and construction equipment, manufacturing lines, automotive transport, purpose-built vehicles of all domestic and foreign manufacturers.

- Customers of LCMB-RT LLC can become participants of federal and regional programs of business support with regard to lease payments refund.

Leasing Company of Small Business of the Republic of Tatarstan LLC is an advanced, developing financial business with vast experience in the market of financial services.

Director:

Airat Kayumov

Address:

Peterburgskaya str. 50, Kazan, 420107,
Russia

Tel: +7 (843) 570-40-13, 570-54-44

Fax: +7 (843) 570-40-13, 570-54-44

E-Mail: info@lkmb-rt.ru

Web: <http://www.lkmb-rt.ru>



4. Useful contacts in the Republic of Tatarstan

Ministries

- Ministry of Finance of the Republic of Tatarstan

Address: Pushkin str. 37, Kazan, 420015

Phone: +7 (843) 264-79-06, 264-37-45

Fax: +7 (843) 264-78-01

E-Mail: common@minfin.tatar.ru

- Ministry of Justice of the Republic of Tatarstan

Address: Kremlevskaya str.16, Kazan, 420503

Phone: +7 (843) 292 42 02

Fax: +7 (843) 292 48 83

E-Mail: minjust@tatar.ru

- Ministry of Internal Affairs in the Republic of Tatarstan

Address: Dzerzhinsky str. 19, Kazan, 420111

Phone: +7 (843) 291-32-17

Fax: +7 (843) 291-32-17

E-Mail: mvd@tatar.ru

- Ministry of Informatization and Communications of the Republic of Tatarstan

Address: Kremlevsky str. 8, Kazan, 420111

Phone: (843) 231-77-01, 221-19-00

Fax: (843) 221-19-99

E-Mail: mic@tatar.ru

- Ministry of Education and Science of the Republic of Tatarstan

Address: Kremlevsky str. 9, Kazan, 420111

Phone: +7 (843) 292-93-51

Fax: +7 (843) 292-44-80

E-Mail: mon@tatar.ru

- Ministry of Culture of the Republic of Tatarstan

Address: Pushkin str.66/33, Kazan, 420060

Phone: +7 (843) 264-74-01, 264-74-02

Fax: +7 (843) 264-75-20

E-Mail: mkrt@tatar.ru

- Ministry of Healthcare of the Republic of Tatarstan

Address: 420111, г. Kazan, Ostrovskogo str., 11/6

Phone: +7 (843) 231-79-98

Fax: +7 (843) 238-41-44

E-Mail: minzdrav@tatar.ru

- Ministry of Agriculture and Food of the Republic of Tatarstan

Address: Fedoseevskaya 36, Kazan, 420014

Phone: +7 (843) 221-76-00, 292-03-82

Fax: +7 (843) 292-05-38

E-Mail: agro@tatar.ru

- Ministry of Environment and Natural Resources of the Republic of Tatarstan

Address: Pavlyukhin str.75, Kazan, 420049

Phone: +7 (843) 267-68-01, 267-68-02

Fax: +7 (843) 267-68-70

E-Mail: eco@tatar.ru

- Ministry of Construction, Architecture and Housing Service of the Republic of Tatarstan

Address:Dzerzhinsky str.10, Kazan, 420111

Phone: +7 (843) 231-14-10

Fax: +7 (843) 231-15-55

E-Mail: msagkh@tatar.ru

- Ministry of Civil defense and Emergency Situations Affairs of the Republic of Tatarstan:

Address: Gubkin str.50, Kazan, 420088

Phone: +7 (843) 221-62-03

Fax: +7 (843) 221-61-54

E-Mail: mchs@tatar.ru, mchs@kabmin.tatarstan.ru

- Ministry of Transport and Road Construction of the Republic of Tatarstan

Address: Ershov str. 31a, Kazan, 420061

Phone: +7 (843) 291-90-10

Fax: +7 (843) 291-90-08

E-Mail: mindortrans@tatar.ru

- Ministry of Youth, Sport and Tourism Affairs of the Republic of Tatarstan

Address: Peterburgskaya str. 12, Kazan, 420107

Phone: +7 (843) 222-81-01

Fax: +7 (843) 222-81-79

E-Mail: mdmst@tatar.ru

- Ministry of Land and Property Relations of the Republic of Tatarstan

Address:Vishnevsky str.26, Kazan, 420043

Phone: +7 (843) 221-40-00 (221-40-79, 221-40-83 document flow and control department)

Fax: +7 (843) 236-27-71

E-Mail: mzio@tatar.ru

- Ministry of Forestry of the Republic of Tatarstan

Address: Yamashev avenue 37a, Kazan, 420124

Phone: +7 (843) 221-37-01

Fax: +7 (843) 221-37-37

E-Mail: Minleshov@tatar.ru

- Ministry of Labour, Employment and Social Protection of the Republic of Tatarstan

Address: 420044, r. Kazan, Volgogradskaya str., 47

Phone: +7 (843) 557-20-01

Fax: +7 (843) 523-72-54

E-Mail: mtsz@tatar.ru

- Ministry of Economy of the Republic of Tatarstan

Address: Moskovskaya str.55, Kazan, 420021

Phone: +7 (843) 524-91-11

Fax: +7 (843) 524-91-23; +7 (843) 524-91-22 (+7 (843) 524-91-21)

E-Mail: priemnaya.smr@tatar.ru; mineconom@tatar.ru;
me.rt@tatar.ru

- Ministry of Industry and Trade of the Republic of Tatarstan

Address: Ostrovsky str.4, Kazan, 420111

Phone: +7 (843) 299-10-07

Fax: +7 (843) 292-16-45

E-Mail: mpt@tatar.ru

5. Education and science (historical facts)

The Republic of Tatarstan has a high scientific potential. The authority of Kazan scientists in mathematics, mechanics, physics, chemistry, biology and linguistics is recognized worldwide.

Kazan, the capital of the Republic of Tatarstan, has the Academy of Sciences of the Republic of Tatarstan (40 full-fledged members, 79 corresponding members, 24 honored members) and Kazan Research Center of the Russian Academy of Sciences, uniting several academic institutions of All-Russia significance. 14.7 thousand people (including 7.8 thousand specialists, carrying out scientific research and investigation) are employed in 98 scientific organizations of the Republic of Tatarstan.

The major areas of fundamental and applied research works are: physics of magnetic phenomena, medical science and equipment, optoelectronics and microelectronics, theory and methods of oil-production, organic and physical chemistry, development of composite materials technology, various fields of modern mechanics and mathematics, etc. Altogether there are about 2000 Doctors of Science and 6000 Candidates of Science working in all sectors of the Republic of Tatarstan (more than 1000 Doctors of Science work in the sphere of institutional and academic science). 11 full-fledged and corresponding members of the Russian Academy of Science carry out fundamental and applied research works in the Republic of Tatarstan.

Scientific and production activities in Tatarstan are performed by the scientific and research organizations and developing agencies, 7 Research and Development Institutions and Construction Departments, industrial parks, Hi-Tech parks, business incubators and other organizations – altogether more than 20 objects of science-driven business.

Training of scientific human resources (3.5 thousand postgraduates and about 100 PhD. students) is accomplished in 38 organizations. This result puts Tatarstan in the leading position in Volga Federal District. There are about 160 thousand students studying in 24 state institutions and 27 institution filial branches. Besides, there are 11 private institutions and 19 private institution filial branches. Altogether there are about 266 thousand students in Tatarstan (approx. 251 thous. – in 2003)

Scientific schools have been established in Kazan since past century. Kazan School of Chemists, founded by N.N. Zinin, A.M. Butlerov and A.M. Zaycev, has gained the biggest fame and popularity. A brilliant team of Russian organic chemists worked in Kazan; it was them, whom D.I. Mendeleev entitled the founders of chemistry as an independent science.

A.Y. Arbuzov (1877-1968), a double laureate of the State Prize, Hero of Socialist Labor, one of the most outstanding phosphorus organic

compounds researchers who made such a massive contribution to the development of the Russian chemistry, was the Head of Kazan School of Chemists for many years.

Kazan School of Mathematicians was also established in the past century. Its most prominent representative is N.I. Lobachevski, an outstanding geometrician, the founder of the non-Euclidean geometry, who had a lead of half of a century in the theory of space.

Continuing Lobachevski's traditions, Kazan's scientists contribute to the development of various fields of science. One of the World Centers of Mathematics has been established in Kazan. It was directed by N.G. Tchebotaryev(1894-1947), a prominent algebraist, and a corresponding member of the Academy of Sciences of the USSR. Professors of the University, V.V. Morozov, B.L. Lapyev, B.M. Gagayev, and M.T. Nuzhin have also contributed greatly to development of mathematics.

Kazan School of Astronomy appeared in the first half of the past century under the direction of professor I.M. Simonov, one the first Russian astronomers who went on an around-the-world cruise on «Mirniy» and «Vostok» sloops, as a part of Bellinsgauzen's and Lazarev's expedition (1819-1821)

Kazan's physicists and mechanics have gained worldwide fame in the recent years. A great scientist, Doctor of Science, K.M. Mushtari was Director of Kazan Physicotechnical Institution. Scientific School of Theory of Thin Shells, used in many modern structures (such as aircraft fuselages, vessel hulls, petroleum tank walls) has also been established under his supervision.

Paramagnetic Resonance Phenomenon, discovered by Y.K. Zavoisky, is also being studied nowadays. The motherland of the discovery in Kazan here in 1944, for the first time ever, Zavoisky observed this phenomenon in the laboratory of Kazan University.

The scientists' discoveries in the field of Paramagnetic Resonance have been widely implemented in practice. This method of physical investigation allows to look deep inside the substance, to study the nature of atoms, molecules, crystals and liquids. The Method of Nuclear Paramagnetic Resonance is widely used in nuclear physics, chemistry, mineralogy, biology and medicine.

The Faculty of Medicine, established in 1814 on the basis of Kazan University, laid foundation to Kazan Medical School. Many outstanding scientists brought fame to this institution. The Professor of Anatomy, Y.F. Aristov and his student, outstanding scientist P.F. Lesgaft, physiologists- a full-fledged member of the Russian Academy of Science, F.V. Ovsyannikov, and his students, professors N.O. Kovalevsky, N.A. Mislavsky, and professor A.F. Samoilov, who was the first scientist in Russia to record

heart-rate (electrocardiogram tracing) and to use them for heart-disease diagnosis are among them.

The School of Pathonomy was established in Kazan for the first time in the history of world medicine. It was directed by Professor V.V. Pashutin, a student of I.M. Sechenov.

Brilliant academic surgeons, I.I. Studentskiy, L.L. Levshin, V.I. Razumovsky were the founders of Kazan School of Surgery. The name of Professor V.S. Gruzdev is widely-known in Kazan for his activity has left a bright footprint not only in Kazan Clinic for Women, that is named after him, but in the whole national gynecology. It was V.S. Gruzdev and his students who developed and implemented the radium substances into curing gynecological cancer.

The first Russian Psychiatry department was established in Kazan by a prominent psychiatrist V.M. Bekhteryev. In the same period, V.E. Adamyuk, the founder of national eye-disease science, and his talented students A.G. Agababov and V.V. Tchirkovsky, worked in Kazan.

The traditions of the Kazan School of Surgery were successfully developed by professors A.V. Vishnevsky and V.L. Bogolyubov. A.V. Vishnevsky developed an anesthesia method- squirt-and-cut technique, which turned out to be an invaluable contribution to scientific and clinical surgery; his works on procaine blocks and oily-balsamic dressings were a tremendous investment to the development of therapy

Professors N.V. Sokolov, I.V. Domrachev, S.M. Alekseyeva and I.F. Kharitonov followed the steps of A.V. Vishnevsky.

The State Doctors Advancement Institution (SDAI) was established in Kazan in 1920; the qualification of doctors from all parts of Russia is upgraded in each department of this Institution annually. The major directions of the activity of SDAI are the issues of oncology, cardiac pathology and roentgen craniology.

The Department of Orthopedics and Traumatic Surgery is extremely famous. Its founder, Professor L.I. Shlutko, was one of the first Soviet surgeons to be elected a member of the International Association of Orthopedists and Traumatic Surgeons. His «plastic surgery» method was «discovered» in France only a quarter of a century later.

All-Russian international conferences and workshops are held in Tatarstan regularly. A number of prestigious scholarships and awards have been set up to commemorate those outstanding scholars; among them are Y.K. Zavoisky International Award, N.I. Lobachevski International Award, Arbuzov Organophosphorous Chemistry Award. The scientists also receive Science and Technology State Awards of the Republic of Tatarstan, as well as various young scientists' grants and rewards.

Tatarstan truly deserves the name of one of Russia's leading Scientific Centers.

6. The Standard of living and a business environment

1. Housing

Average price of a square meter of residential real estate in the city of Kazan as of November 2014

Primary market	1340 \$/m2
Price alteration during a month	+0.3%
Secondary market	1442 \$/m2
Price alteration during a month	+0.9%

According to data from <http://www.reportal.ru/>

Hotels of Kazan:

Mirazh Hotel
Kazan, Moskovskaya str. 1a
[http:// www.mirage-hotel.ru](http://www.mirage-hotel.ru)
phone: +7 843 278-050-5
e-mail: reservation@mirage-hotel.ru

Cortyard Hotel
Kazan, Karl Marx str. 6
[http:// www.kazancourtyard.ru](http://www.kazancourtyard.ru)
phone: +7 843 567-4-000
e-mail: cy.kzncy.reservation@courtyard.com

Shalyapin Palas Hotel
Kazan, Universitetskaya str. 7
[http:// www.shalyapin-hotel.ru/](http://www.shalyapin-hotel.ru/)
phone: +7 843 231 10 00, 8 800 1000 7 80
e-mail: reservation@shalyapin-hotel.ru

Park Inn Hotel
Kazan, Lesgaft str. 9-11
<http://www.parkinn.ru/hotel-kazan>
Phone: +7 843 235-235-1
Fax: +7 843 235-235-4
e-mail: reservations.kazan@rezidorparkinn.com

Suleyman Palace Hotel
Kazan, Peterburgskaya str.55
<http://www.suleimanpalace.com/>
phone./Fax: +7 843 278 16 16
e-mail: reservation@suleimanpalace.com

Grand Hotel Kazan
Kazan, Peterburgskaya str. 1
<http://www.grandhotelkazan.ru/>
phone:+7 843 221 10 00
e-mail: reservation@grandhotelkazan.ru

Korston Hotel
Kazan, Ershov str. 1a
<http://www.kzn.korston.ru/>
тел. 8-800-100-9989,+7 843 279 3000
e-mail: reservation@kzn.korston.ru

Riviera Hotel
Kazan, Fatykh Amirkhan avenue 1a
<http://www.hotelriviera.ru>
Phone + 7 (843) 511 21 21
e-mail:reservation@hotelriviera.ru

2 Migration

Any organization (legal person) of the Republic of Tatarstan, inviting foreign partners and colleagues, should issue a corresponding invitation through the Department of consular service of the Ministry for Foreign Affairs of the Russian Federation (the Ministry of Foreign Affairs of the Russian Federation) or through regional representations of the Ministry of Foreign Affairs of the Russian Federation.

The Ministry of Foreign Affairs of Russia issues the invitation within not more than 30 days from the date of the application (submission of all properly issued documents).

An organization serviced in the Department of consular service the Ministry of Foreign Affairs of the Russian Federation or in regional representative offices of the Ministry of Foreign Affairs of the Russian Federation and having registration number can also issue the invitation,. In this case the issued invitation should be directed to the consular department of the Russian embassy in the host country of the foreign partner.

International passports of the foreign citizens who have arrived to the Russian Federation (the Republic of Tatarstan) for the term of more than three days (except holidays and days off) should be registered according to the established procedure.

The receiving organization registers passports of the foreign citizens who have arrived for the term of not exceeding three months and submits data to the law-enforcement bodies. Data are submitted in written form to law-enforcement bodies within three days from the moment of arrival.

During registration, the term of stay of foreign citizens in the territory of the Republic of Tatarstan is specified. The accepting organization can extend the registration for the term, not exceeding three months. Prolongation of the term of registration for the term of more than three months and extension of the visa for foreign citizens is made by law-enforcement authorities. Administration of passport and visa service of the Ministry of Internal Affairs of the Republic of Tatarstan offers consultations concerning invitation of foreign citizens.

The statutory acts regulating entry, departure, stay of foreign citizens in the Republic of Tatarstan, are:

The federal law of August 15, 1996 114-FZ «On the order of exit from the Russian Federation and entrance to the Russian Federation» (as in force on June, 24th, 1999);

The federal law of July 25, 2002 115- FZ «On the legal status of foreign citizens in the Russian Federation» (as amended on June 30, November 11, 2003, August 22, November 2, 2004);

The Resolution of the Cabinet of Ministers of the USSR of April, 26, 1991 No. 212 «On the Rules of stay of foreign citizens in the USSR» (as in force on November 4, 1991);

The Governmental regulation of the Russian Federation of May 15, 1995 No. 459 «On the new order of procurement of invitations for foreign citizens to territory of the Russian Federation»

The Governmental regulation of the Russian Federation of October

1, 1998. No. 1142 «On implementation of separate norms of the federal law «On the order of exit from the Russian Federation and entrance to the Russian Federation» (as amended September 23, 1999, October 3, 2002, March 24, April 24, 2003);

The Order of the Ministry of Foreign Affairs of the Russian Federation of February 12, 2004 No. 1833 «On the Rules of procurement of invitations for entrance to the Russian Federation of foreign citizens and persons without citizenship ».

Contact phones:

Department of consular service of the Ministry of Foreign Affairs of the Russian Federation in Moscow

+7(495) 244-45-81, 244 9 1-39.

Representative office of the Ministry of Foreign Affairs of the Russian Federation in Kazan

Phone +7(843) 2920127

Fax +7(843) 2920157

Address: Spasskaya tower, Kremlin, Kazan, Russia.

Administration of passport and visa service of the Ministry of Internal Affairs of the Republic of Tatarstan is located by the following address: Chekhov street 8/2, Kazan, Russia

Phone: +7 (843) 291-20-93.

The Federal Migration Service of Russia exercises the following powers:

1) control and supervision according to the legislation of the Russian Federation:

Over observance by citizens of the Russian Federation and officials of rules of registration and deregistration of citizens of the Russian Federation at a place of stay or residence within the territory of the Russian Federation;

Over observance of immigration rules by foreign citizens and persons without citizenship;

Over observance of rules of attraction of foreign workers to the Russian Federation by employers, ordering customers of works (services) and use of their labor;

2) issuing in due order permits for attraction of foreign workers to the Russian Federation by employers, ordering customers of works (services) and use of their labor, and work permits for foreign citizens and persons without citizenship;

3. Holidays and days off:

New Yearvacation	January, 1, 2, 3, 4, and 5
Defender of the Motherland Day	February, 23
The International Women's Day	March, 8th
Holiday of Spring and Labor	May, 1
Day of the Victory	May, 9
Day of Russia	June, 12
Day of the Republic of Tatarstan	August 30
Day of the National Unity	November, 4
The Constitution day of the Republic of Tatarstan	November, 6

The specified days are legal public holidays.

If a holiday falls on a weekend day, the day off is transferred to the working day following the holiday.

Days of religious holidays:

Christmas	January, 7
Qurban bayram (Eid al-Adkha)	The date of the holiday is calculated by lunar calendar and it is annually established by the Resolution of the President of the Republic of Tatarstan no later than three months before its approach

Days of religious holidays are days off.

In the Republic of Tatarstan on the occasion of the termination of spring field works a Tatar national holiday «Sabantuy» and a Russian national holiday «Karavon» are celebrated. Date of the holidays' celebration is annually established by the Resolution of the President of the Republic of Tatarstan.

4. Leisure:

ENTERTAINMENT

«Riviera» entertainment complex

<http://www.kazanriviera.ru/>

Fatykh Amirkhan avenue 1b, Kazan, phone: +7 (843) 511-2121

«Riviera» CEC

<http://www.kazanriviera.ru/>

1a-Fatykh Amirkhanna prospect, Kazan, phone: +7 (843) 511-2121

PYRAMID CEC

Moscovskaya street 3, Kazan, Russia, phone +7(843) 570-0700

YOUTH CENTER AK BARS (Youth cultural and sports center)

Dekabristov street 1, Kazan, Russia, phone +7(843) 292-1136

KORSTON-KAZAN

Nikolay Ershov street 1, Kazan, Russia, phone +7(843) 279-3000

Sports

Considerable attention is given in the Republic to the development of sports and construction of sports facilities. Today Kazan has a number of sports clubs, complexes, stadiums and sports halls.

AK BARS

Dekabristov str., Kazan 1, Russia, phone +7(843) 516-8856

BASKET-HALL

Aydinov str., Kazan 1, Russia, phone +7(843) 277-9750

GRANUR-SHAPING

Adoratsky str. 8A, Kazan, Russia, phone +7(843) 545-7213

«DOLPHIN» SPORTS COMPLEX

Gabdulla Tukay emb. 12, Naberezhnye Chelny, Tatarstan, Russia, phone +7(8552) 70-3454

THE KAZAN SPORTS PALACE

Moskovskaya str. 1, Kazan, Russia, phone +7(843) 292-3391

ICE PALACE

Building «D»-New city, Naberezhnye Chelny 23/10, Tatarstan, Russia, phone +7(8552) 56-6572

SPORTS ICE PALACE

Leninogorsk, Tatarstan, Russia, phone +7(85595) 5-5857

ROCKET THE SPORTS COMPLEX

Stadionnaya str. 1A, Kazan, Russia, phone +7(843) 274-1884

RUBIN

Kopylov str. 2A, Kazan, Russia, phone +7(843) 571-1112

TATNEFT-ARENA, SPORTS ICE PALACE Chistopolskaya str. 42, Kazan, Russia, phone +7(843) 527-8505

LABOR RESERVE STADIUM

Nikolay Ershov str. 7, Kazan, Russia, phone +7(843) 238-2063

Culture

Totally the Republic has 20 theatres, among them in Kazan there are 7 theatres, 3 of which have the «academic» status: Tatar National Academic Theater named after G.Kamal, Tatar National Academic Theater of Opera and Ballet named after M. Dzhilil, Kazan State Academic Bolshoy Drama Theater named after V.I.Kachalov.

Theatres:

National Big Concert Hall named after S.Saydashev

Svoboda Square, Kazan. Phone: +7(843)292-17-36

Kazan State Academic Theatre named after G.Kamal

Tatarstan str. 1, Kazan. Phone: +7(843) 293-06-38

Kazan State Academic Russian Big Drama Theatre named after V.I.Kachalov,

Bauman str. 48, Kazan. Phone: +7(843) 292-34-83

Kazan State Theatre of the Young Spectator

Ostrovsky str.10, Kazan. Phone: +7(843) 292-18-75

Tatar Academic State Opera and Ballet Theatre named after M.Dzhilil

Svoboda Square, Kazan. Phone: +7(843) 231-57-10

Tatar State Drama Theatre named after K.Tinchurin

Gorky str.13M, Kazan. Phone: +7(843) 238-10-20

Tatar State Youth Theatre

Gladilov str. 49, Kazan. Phone: +7(843) 554-11-56

Tatar State Puppet Theatre«Akiyat»

Lukovskogo str. 21, Kazan. Phone: +7(843) 238-94-71, 238-92-72

Tatar Theatre for Young People named after Kariyev

Gladilov str. 49, Kazan. Phone: +7(843) 554-11-26

Since 1982 Kazan has been hosting the International Opera Festival named after F.I.Shalyapin, since 1987 – the International Festival of Classical Ballet named after R.Nurieyev, since 1993 – the International Festival of Modern Chamber Music «Europe-Asia», since 2001 – the International Festival of Piano Music «Pianoforum».

Concert halls:

National Big Concert Hall named after S.Saydashev

Svoboda Square, Kazan. Phone: +7(843) 292-17-36

Mayakovsky Recreation center

Schmidt str. 35, Kazan. Phone: +7(843) 299-52-02

Kazan State Circus

Yarmorochnaya Square, Kazan. Phone: +7(843) 292-14-12

Shalyapin Chamber Music Hall

Bauman street 78, Kazan. Phone: +7(843) 238-34-20

CYC named after A.Gaydar

Kopylov str. 2/7, Kazan.

CEC «Pyramid»

Moskovskaya str. 3, Kazan. Phone: +7(843) 570-07-00

Culture Center of Ministry of Internal Affairs RT

K.Marx str. 26, Kazan.

**The Tatar State Philharmonic Society named after Tukay
(Concert Hall)**

Gogol str. 4, Kazan. Phone: +7(843) 236-72-72

Museums.

There are 23 museums in Tatarstan.

The largest of them are:

Bilyar state historical, archeological and natural memorial reserve

The address: village of Bilyarsk, Alekseyevsky district, 420920, the Republic of Tatarstan

Phone: +7 (84341) 43395

Email: m1786@mail.museum.ru

Web: <http://www.tatar.museum.ru/M1786>

It was created in 1992. In the territory of the reserve you can see the original features and conditions characteristic of the forest-steppe zone of the Eastern Europe in the historical cut, concentrated complex of various archeological monuments of almost all epochs, historical and cultural monuments related to the names of such academicians as Butlerov, Arbuzov, etc. The ruins of the largest city of the medieval world civilization, Volzhskaya Bulgaria capital in the

10th century to 1236, known under the name of Bilyar. In the exposition of the museum there is a rich collection of Bilyar antiquities collected in different years from the site of ancient settlement, totaling thousands of subjects reflecting high material and spiritual culture of its population.

The state museum of fine arts of the Republic of Tatarstan

Address: K.Marx str. 64, 420015, Kazan.

Phone: +7 (843) 2366931 Fax: (843) 2361865

Email: neiron@bancorp.ru, Web: <http://isort.boom.ru>

The museum was created in 1958 on the basis of the picture gallery of the State Museum of RT. The museum collection is proud of more than 21 thousand paintings, drawings, and sculptures. The biggest collection is the collection of drawings, including West-European, represented by drawings of artists from the Netherlands, Holland, Flanders, Italy, Germany, including masterpieces by Durer, Rembrandt, Luke van Leyden, Rubens's workshop. Unique collection of old Russian paintings of the end of XV- beginning of XIX centuries In the collection of Russian art there are works by Levitsky, I.Ayvazovsky, Bryullov, V.Tropinin, A.Savrasov, V.Polenov, I.Repin, V.Serov, etc.; I.I.Shishkin's remarkable collection; small collection of artists of Russian avant-garde from XIX- to the beginning of XX centuries. Rich and diverse art of Tatarstan, including unique and the largest in the country and abroad paintings collection of N.I. Feshin.

Museum of the Millenium of Kazan

Address: Pushkin str. 86, 420060, Kazan.

Phone: +7 (843) 236-78-31

The museum was created as structural division of the Museum of national culture, NCC Kazan.

The museum occupies 3 halls with the area of 2600 sq.m., and includes exhibition complex of more than 400 sq.m. Today in the fund of the Museum of Kazan Millenium there are 30 thousand exhibit items, among them –

2000 exhibits belonging to the history of the city dating back to the XVI – XIX centuries. A surprising view is a photo-montage of the area of 44 sq.m of the real buildings and constructions of XVIII – the beginning of XX century images.

National museum of the Republic Tatarstan

Address: Kremlin str. 2, 420111 Kazan. Phone: +7 (843) 292-71-62
Fax: +7 (843) 292-14-84

Email: tatar_museum@mail.ru

Web: <http://www.tatar.museum.ru>

It was opened in 1895 as the Kazan city public museum. A basis of the museum was laid by the collection of A.F.Likhachev, a regional historian. The museum is storage of the treasures of the Republic. There are more than 700 000 artifacts in the museum fund of the material and spiritual culture of the people of Tatarstan and the world.

Since 1981 it works as a museum association which includes 73 branches – historical, literary and regional museums.

7. Information on the Chamber of Commerce and Industry of the Republic of Tatarstan

Services of the Chamber:

Databases of CCI RT, CCI RF, representative offices of CCI of the Russian Federation abroad, representative offices and Trading Houses of the Republic of Tatarstan abroad; Register of reliable partners	Department of business information Phone: (843) 236-08-04 e-mail: tpprt15@yandex.ru
«Office of Foreign Investors» starting site for the foreign investors, allowing them to use effectively in their activity the resources of the Chamber of Commerce and Industry of the Republic of Tatarstan. «Office of Foreign Investors» is a team of highly qualified professionals engaged in the administrative escort of the investor, starting from the certified interpreter and translator language service rendering, legal consulting services, accreditation, search for partners and up to the organizational events and holding of investor's meetings or his representatives with state power bodies officials and municipal entities of the Republic of Tatarstan.	Phone: (843)264-62-07, 236-63-60, 236-60-01, 238-53-70, fax: (843)236-09-66 e-mail: tpprt@tpprt.ru, tpp-rt@yandex.ru, innov@tpprt.ru
Information-procedural service of exhibition activity in Russia and abroad; organization and carrying out of exhibitions, presentations, advertising campaigns	Tatexpo company Phone: (843)264--62-61 e-mail: tatexpo@tpprt.ru
Business education, training, further vocational training, organization and carrying out of seminars	Center for business education Phone: (843) 238-61-25 e-mail: do@tpprt.ru
Carrying out of trade and economic missions, support of business visits; organization of special events: thematic conferences, business meetings, round tables	Organizational Department, Phone: (843)236-99-00, e-mail: org@tpprt.ru
Legal protection of interests of businessmen, «hot line»; confirmation of «force-majeur»; representation in courts of the general jurisdiction, International commercial arbitration court at CCI of the Russian Federation (MKAS); preparation, examination and support of export-import contracts	Legal Center Phone: (843) 238-61-04 e-mail: tpplc@yandex.ru

Arbitration services; registration and protection of the rights to objects of intellectual property	Arbitration court Phone:(843)236-06-27 e-mail: arbitrage @tpprt.ru
Assistance in preparation of investment projects and business-plans, compliance with international standards, bank requirements	e-mail: innov@tpprt.ru
Interaction with Investment Venture Fund of RT, Leasing Company of RT; solution of issues with the bodies of municipal authority, inspection authorities	Organizational Department, Phone: (843)236-99-00 e-mail: org@tpprt.ru
Independent audit, accounting consultations; representation and protection of interests of the enterprises in tax authorities, analysis of tax audit reports; establishment, restoration and conducting of book keeping of economic objects; issuing income declarations and accounting reports, analysis of economic and financial activity; appraising assets and liabilities of economic objects	Center of accounting consultations, Phone: (843)236-86-71; e-mail: buh@tpprt.ru
Determination of the country of origin and issuing of certificates of origin ST-1, f. A, general form	The Department of certification Phone: (843) 264-35-82 e-mail: expert@tpprt.ru
Expert evaluation of quality and quantity of goods, packing, packaging materials and marks; sampling and conducting of laboratory analysis in test centers; defination of output rate of the compensatory goods at temporary export of the Russian goods abroad or import of foreign goods to the territory of the Russian Federation for processing; appraisal of vehicles, real estate, equipment; estimation of mortgage value, estimation of capital fund; consumer expert examination	Firm «Soex-Tatarstan» Phone: (843) 264-35-82 e-mail: soex@tpprt.ru
Accreditation of representative offices of foreign firms; visa support; language services and notarization of foreign-economic activity documents translation; guide services for foreign delegations	Accreditation and Language Service Department, Guild of Translators and Interpreters of RT Phone: (843) 236-62-06 e-mail: gtransl@mail.ru
Interaction with mass media; creation of positive image of businessmen, advertising, information support of events, organization of press conferences. Publication of information on regional businessmen in specialized editions of the CCI system of Russia. Press-service.	Department of public relations, Phone: (843)236-63-60 e-mail: tpp-rt@yandex.ru

Financial improvement of the enterprises through development and perfection of system of anti-recessionary management	Self-regulated organization of arbitration managing directors under CCI RT Phone: (843)264-62-07 e-mail: tpprt@tpprt.ru
Granting information on establishments requiring support (children's homes, correctional boarding schools, hostel for the elderly and disabled, etc.) for charity	Department of information policy Phone: (843)236-63-60 e-mail: tpp-rt@yandex.ru
Renting of halls and equipment for various events (congress hall 210 sq.m. for 250 persons, Business Club- 45 sq.m. for 50 persons).	Phone: 236-99-00 e-mail: org@tpprt.ru Phone: (843) 264-62-07 e-mail: tpprt@tpprt.ru
Digital Opportunity Center: 20 computers, modern multimedia equipment Holding of webinars, videoconferences and educational programs	Phone: (843) 236-99-00 e-mail:org@tpprt.ru Phone: (843) 264-62-07 e-mail: tpprt@tpprt.ru

The Chamber of Commerce and Industry has signed Agreements on cooperation with the Tatarstan Customs, Administrations of 24 cities and districts of Tatarstan, with the Tatarstan Republican Board of Appraisers, the Tatarstan Republican Court of Arbitration, with the RT Center of Production Subcontracting, with the Federal State Administration of the Tatarstan Center for standardization, metrology and certification, etc.

CCI RT cooperates with the Ministries of Economic Affairs of RT, Land and Property relations of RT, Industry and Trade of RT, Labor, Employment and Social Security of RT, with all associations and noncommercial partnerships.