

# Industrial Development Fund

Opportunities for Project Funding and Support



# 7

## financing programs

- 1 Development projects
- 2 Machine tool manufacturing
- 3 Components
- 4 Leasing projects
- 5 Drug labeling
- 6 Labor productivity
- 7 Industry digitalization

# MAIN CONDITIONS OF FINANCING PROGRAMS

LOAN AMOUNT  
MLN RUB

LOAN TERM

	LOAN AMOUNT MLN RUB	LOAN TERM
1 Development projects	50 - 500	3% during the first 3 years with a bank guarantee
2 Machine tool manufacturing		5% with other security types
3 Components		1% during first 3 years
4 Leasing projects	5 - 500	5% for the remaining term
5 Drug labeling	5 - 50	1%
6 Labor productivity	50 - 300	
7 Industry digitalization	20 - 500	1% with the Russian software/Russian systems integrator
		5% in other cases

1

<sup>1</sup> Reduced rates may be offered if Russian made equipment is purchased or if commitments to export project products are assumed

# SECTOR FIELDS FINANCED BY THE IDF

## SECTION C

"Manufacturing"

OKVED <sup>1</sup> Class	
10	Food production in terms of industrial biotechnologies
13	Textile manufacturing
14	Clothes manufacturing
15	Leather and leather goods manufacturing
16	Wood processing, wood and cork products manufacturing, except furniture; straw and wicker products manufacturing
17	Paper and paper products manufacturing
20	Chemicals and chemical products manufacturing
21	Manufacturing of drugs and materials for medical applications
22	Rubber and plastic products manufacturing
23	Other non-metal mineral products manufacturing
24	Metallurgical production
25	Finished metal products manufacturing, except machinery and equipment
26	Computer, electronic and optical products manufacturing
27	Electrical equipment manufacturing
28	Manufacture of machinery and equipment not grouped elsewhere
29	Motor vehicle, trailer and semi-trailer manufacturing
30	Other vehicle and equipment manufacturing
31	Furniture manufacturing
32	Other finished products manufacturing
33	Assembly and repair of machinery and equipment

<sup>1</sup> Russian Standard Industrial Classification of Economic Activities

# SECTOR FIELDS NOT FINANCED BY THE IDF

## SECTION C

"Manufacturing"

	OKVED Class
■	10 Food production (except for industrial biotechnology)
■	11 Beverage industry
■	12 Tobacco industry
■	18 Printing and copying
■	19 Coke and oil products industry
■	24.46 Nuclear fuel production

## SECTION B

"Extraction of minerals"

## SECTION D

"Energy, gas and steam supply; air conditioning"

## SECTION E

"Water supply; water disposal, waste management, pollution response"

# "DEVELOPMENT PROJECTS" PROGRAM

## SCOPE OF APPLICATION:

The program is intended for the projects targeted at:

- a) import substitution
- b) BAT introduction
- c) export

## MAIN CONDITIONS:



**LOAN AMOUNT:**  
50–500 mln ₺



**LOAN TERM:**  
up to 60 months

## ADDITIONAL CONDITIONS

### INTEREST RATE:

3% during the first 3 years with a bank guarantee

5% with other security

(may be reduced by 2 % p.a. if Russian made equipment is purchased for the amount of  $\geq 50\%$  of the loan amount)

1% subject to new product export for the value of  $\geq 50\%$  of loan amount per year



### CO-FINANCING

$\geq 50\%$  of the project budget, also using own funds/shareholders' equity  $\geq 15\%$  of the loan amount



### TARGET SALES OF NEW PRODUCTS:

$\geq 50\%$  of loan amount per year, starting from the second year of mass production



### TOTAL ALLOCATED PROJECT BUDGET:

from 100 mln ₺



# "MACHINE TOOL MANUFACTURING" PROGRAM

## SCOPE OF APPLICATION:

The program is intended for the projects targeted at manufacture of machine tool products for civil applications that meet the best available technology principle and that have import substitution or export potential.

## MAIN CONDITIONS:



### LOAN AMOUNT:

50–500 mln ₺



### LOAN TERM:

up to 84 months

## ADDITIONAL CONDITIONS



### INTEREST RATE:

1 % first 3 years  
5 % for the remaining term



### CO-FINANCING:

≥ 20 % of the project budget,  
also using own funds, funds of private  
investors and banks



### TARGET SALES OF NEW PRODUCTS:

≥ 30 % of loan amount per year, starting  
from the second year of mass production



### TOTAL ALLOCATED PROJECT BUDGET:

from 62,5 mln ₺

# "COMPONENTS" PROGRAM

## SCOPE OF APPLICATION:

The program is intended for the projects targeted at setup and/or modernization of production of the components used as part of the industrial products listed in an annex to resolution No. 7191 of the RF Government dated 17 July 2015.

## MAIN CONDITIONS:



### LOAN AMOUNT:

50–500 mln ₺



### LOAN TERM:

up to 60 months

## ADDITIONAL CONDITIONS



### INTEREST RATE:

1 % first 3 years  
5 % for the remaining term



### CO-FINANCING :

≥ 20 % of the project budget,  
also using own funds, funds of private  
investors and banks



### TARGET SALES OF NEW PRODUCTS:

≥ 30 % of loan amount per year, starting  
from the second year of mass production



### TOTAL ALLOCATED PROJECT BUDGET:

from 62,5 mln ₺



# "LEASING PROJECTS" PROGRAM

## SCOPE OF APPLICATION:

The program is intended to finance the leasing projects targeted at technology upgrade or modernization of fixed production assets of Russian industrial companies. **The IDF** loan amount may range from **10 to 90% of the down payment under a lease**, but it may not exceed 27 % of the total equipment cost.

## MAIN CONDITIONS:



**LOAN AMOUNT:**  
5–500 mln ₺



**LOAN TERM:**  
up to 60 months

## ADDITIONAL CONDITIONS



**INTEREST RATE:**  
1 % p.a.



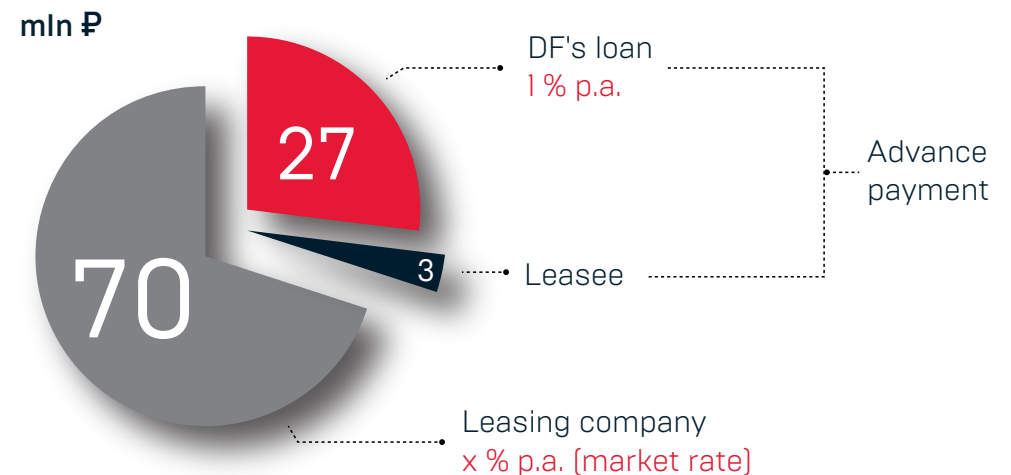
**LEASING DEAL:**  
≥ 20 mln ₺



**CO-FINANCING:**  
≥ 73 % of the project budget

## EXAMPLE

Subject to the equipment cost of 100 mln rubles:



# LIST OF THE ACCREDITED LEASING COMPANIES

33

authorized leasing  
companies have been  
accredited at IDF

1. Aviacapital-service (LLC)
2. Alfa-Leasing (LLC)
3. Baltic Leasing (LLC)
4. Business Alliance (JSC)
5. ChelIndleasing (LLC)
6. Expert-Leasing (LLC)
7. FBG-Leasing (JSC)
8. Gazprombank Leasing (LLC)
9. Gazprombank Leasing (JSC)
10. GTLK (PJSC)
11. ICB Leasing (JSC)
12. LC Delta (LLC)
13. LC of Small Businesses of the Republic of Tatarstan (LLC)
14. MKB-Leasing (LLC)
15. MetalloinvestLeasing (JSC)
16. Natspromleasing (LLC)
17. Neftepromleasing (LLC)
18. Praktika LC (LLC)
19. Raiffeisen-Leasing (LLC)
20. RB Leasing (LLC)
21. RLC RT (JSC)
22. RLC Yaroslavl (JSC)
23. RLC Sakha (JSC)
24. Sberbank Leasing (JSC)
25. Siemens Finance (LLC)
26. Transleasing (LLC)
27. TransFin-M (PJSC)
28. Unicredit Leasing (LLC)
29. Universal Leasing Company (JSC)
30. UralBusinessleasing (LLC)
31. VTB Leasing (JSC)
32. VEB Leasing (JSC)
33. ZEST (CJSC)

# "DRUG LABELING" PROGRAM

## SCOPE OF APPLICATION:

The program is intended to finance projects for purchase of drug labeling equipment at pharmaceutical enterprises.

## MAIN CONDITIONS:



### LOAN AMOUNT:

5-50 mln ₺



### LOAN TERM:

up to 24 months

## ADDITIONAL CONDITIONS



### INTEREST RATE:

1 % p.a.



### CO-FINANCING:

not required



### FEATURES:

- » loans are granted for target purchasing of special-purpose equipment
- » principal redemption begins from the second year of loan utilization
- » the only available security is a bank guarantee

# “LABOR PRODUCTIVITY” PROGRAM

## SCOPE OF APPLICATION:

The program is intended to finance the projects targeted at gain in labor productivity at industrial enterprises (as part of the “Gain in labor productivity and employment support” priority program).

## MAIN CONDITIONS:



**LOAN AMOUNT:**  
50–300 mln €



**LOAN TERM:**  
up to 60 months

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## ADDITIONAL CONDITIONS

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**INTEREST RATE:**  
1 % p.a.



**CO-FINANCING :**  
≥ 20 % of the project budget,  
also using own funds, funds of private  
investors and banks



**TARGET INDEX OF GAIN IN LABOR PRODUCTIVITY:**  
≥ 5 % at the end of 1 calendar year  
following the year of loan procurement and  
≥ 20 % at the expiration of the loan  
agreement



**TOTAL ALLOCATED PROJECT BUDGET:**  
from 62,5 mln €

# “INDUSTRY DIGITALIZATION” PROGRAM

## SCOPE OF APPLICATION:

The program is intended to finance the projects targeted at the implementation of digital and technological solutions to streamline enterprise production processes.

## MAIN CONDITIONS:



**LOAN AMOUNT:**  
20–500 mln ₺



**LOAN TERM:**  
up to 60 months

## ADDITIONAL CONDITIONS



### INTEREST RATE:

1 % with the Russian software<sup>1</sup> of Russian systems integrator<sup>2</sup>  
5 % in other cases



### CO-FINANCING :

≥ 20 % of the project budget,  
also using own funds, funds of private investors and banks



### INCREASE IN PER CAPITA OUTPUT:

≥ 5 % each year starting with the 2nd year  
after loan procurement



### TOTAL ALLOCATED PROJECT BUDGET:

from 25 mln ₺

<sup>1</sup> Included in the register of the Ministry of Communications (<https://reestr.minsvyaz.ru>) and/or developed by member projects of the National Technology Initiative (<https://asi.ru/nti/>).

<sup>2</sup> Systems integrator must be included in the latest version of a rating of Russian IT companies (RBC+, CNews, Tadviser) and not be a subsidiary of a non-resident of the RF.

# JOINT FINANCING WITH REGIONAL IDF'S

1 Performed under the "Development projects" and "Components" programs

2 Defined by the agreement entered into between IDF and regional IDF

3 Provided in the ratio of 70% (federal funds) to 30% (regional funds)

## GENERAL TERMS OF LOAN

### "DEVELOPMENT PROJECTS"



**LOAN AMOUNT:**

20-100 mln ₪



**INTEREST RATE:**

3 % during the first 3 years with a bank guarantee  
5 % with other security types



**LOAN TERM:**

up to 60 months



**TOTAL ALLOCATED PROJECT BUDGET:**

from 40 mln ₪



**CO-FINANCING:**

≥ 50 % of the project budget, including using wn funds/shareholder's equity ≥ 15 % of loan amount

### "COMPONENTS"



**LOAN AMOUNT:**

20-100 mln ₪



**INTEREST RATE:**

1 % first 3 years  
5 % for the remaining term



**LOAN TERM:**

up to 60 months



**TOTAL ALLOCATED PROJECT BUDGET:**

from 25 mln ₪



**CO-FINANCING:**

≥ 20 % of the project budget, also using own funds, funds of private investors and banks

# LOAN PURPOSE (1)

	DEVELOPMENT PROJECTS	MACHINE TOOL MANUFACTURING	LEASING
» DEVELOPMENT OF A NEW PRODUCT/TECHNOLOGY, INCLUDING:			
▸ Research & development/process development	●	≤ 10 % of the project value	○
▸ In-process and marketing testing	●	○	○
▸ Patent research and patenting of the solutions developed	●	○	○
▸ Certification, review and certification procedures	●	○	○
▸ Acquisition of supplies for new product/technology development activities	≤ 20 % of the loan amount	○	○
▸ Process and cost audit of investment projects	○	≤ 0,3 % of the project value	○
» ENGINEERING	●	≤ 5 % of the project value	○
» ACQUISITION OF INTELLECTUAL PROPERTY RIGHTS	●	≤ 10 % of the project value	○
» ACQUISITION OF OWNERSHIP FOR INDUSTRIAL EQUIPMENT	●	●	●
» ACQUISITION AND USE OF SPECIAL-PURPOSE EQUIPMENT FOR RESERCH AND DEVELOPMENT WORK	●	○	○
» FEASIBILITY STUDY, PREINVESTMENT ANALYSIS, EXCL. ANALYTICAL MARKET RESEARCH COST	●	○	○
» GENERAL RUNNING COSTS	≤ 10 % of the loan amount	○	○

# LOAN PURPOSE (2)

## COMPONENTS

### » DEVELOPMENT OF A NEW PRODUCT/TECHNOLOGY, INCLUDING:

▸ Research & development/process development



▸ In-process and marketing testing



▸ Patent research and pateting of the solutions developed



▸ Certification, review and certification procedures



▸ Process and cost audit of investment projects

**≤ 0,3 %**  
of the project value,  
but not more than 5 min RUB

### » ENGINEERING



### » ACQUISITION OF INTELLECTUAL PROPERTY RIGHTS



### » ACQUISITION OF OWNERSHIP FOR INDUSTRIAL EQUIPMENT



### » ACQUISITION AND USE OF SPECIAL-PURPOSE EQUIPMENT FOR RESERCH AND DEVELOPMENT WORK



### » FEASIBILITY STUDY, PREINVESTMENT ANALYSIS, EXCL. ANALYTICAL MARKET RESEARCH COST



### » GENERAL RUNNING COSTS

**≤ 10 %**  
of the loan amount

### » EXPENSES, ON PRODUCTION AND MARKET LAUNCH OF PILOT PRODUCT BATCHES

**≤ 50 %**  
of the loan amount



# LOAN PURPOSE (3)

## DRUG LABELING

» RESEARCH AND DEVELOPMENT WORK

**≤ 10 %**  
of the loan amount

» ACQUISITION OF INTANGIBLE ASSETS

**≤ 10 %**  
of the loan amount

» ENGINEERING SURVEY, DESIGN DOCUMENT  
ELABORATION

**≤ 5%**  
of the loan amount

» PROCESS AND COST AUDIT OF  
INVESTMENT PROJECTS

**≤ 0,3%**  
of the loan amount

» PRODUCTION TECHNOLOGY UPGRADE, INCL. ACQUISITION OF  
EQUIPMENT AND ENGINEERING SOFTWARE

**≥ 70 %**  
of the loan amount

### AT LEAST 70 % OF LOAN AMOUNT MAY BE USED FOR:

#### EQUIPMENT FOR:

- serialization
- aggregation
- equipment of finished products warehouses

#### SERVER HARDWARE

#### VALUE-ADDED SERVICES/OPTIONS (FAT SAT IQ/OQ documents)

#### SOFTWARE / LICENSES

# LOAN PURPOSE (4)

## DIGITALIZATION

» ACQUISITION OF INTELLECTUAL PROPERTY RIGHTS, SOFTWARE



» ACQUISITION OF HARDWARE AND SOFTWARE SYSTEMS, INCL.  
INSTALLATION, SETUP AND OTHER ACTIVITIES



» ENGINEERING



» ACQUISITION OF NEW PRODUCTION TECHNOLOGY



» ACQUISITION OF COMPUTER, SERVER AND NETWORK HARDWARE, INCL.  
INSTALLATION, SETUP AND OTHER ACTIVITIES

**≤ 40 %**  
of the loan amount

# LOAN PURPOSE (5)

## LABOR PRODUCTIVITY

### » TECHNOLOGY DEVELOPMENT/TRANSFER, INCL.:

▸ Research & development/process development



▸ Certification, review and certification procedures



▸ Acquisition of supplies for new product/tehnology development activities

**≤ 20 %**  
of the loan amount

### » ENGINEERING



### » ACQUISITION OF INTELLECTUAL PROPERTY RIGHTS

**≤ 15 %**  
of the loan amount

### » ACQUISITION OF OWNERSHIP FOR INDUSTRIAL EQUIPMENT



### » ACQUISITION AND USE OF SPECIAL-PURPOSE EQUIPMENT FOR RESERCH AND DEVELOPMENT WORK



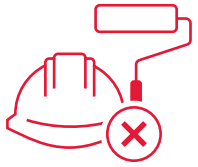
### » FEASIBILITY STUDY, PREINVESTMENT ANALYSIS, EXCL. ANALYTICAL MARKET RESEARCH COST



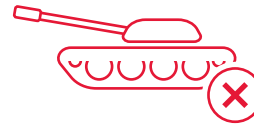
### » GENERAL RUNNING COSTS

**≤ 10 %**  
of the loan amount

# LOAN FUNDS MAY NOT BE USED FOR:



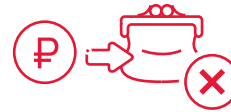
Construction or major repair of buildings and structures



Manufacturing of military goods



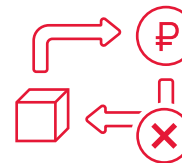
Scientific research



Refinancing loans and repayment of interests on raised credits/loans



Acquisition of real estate



Current assets

# NEED FOR EXPERT REVIEWS

	DEVELOPMENT PROJECTS	MACHINE TOOL MANUFACTURING	LEASING <sup>1</sup>	CONVERSION	COMPONENTS	DRUG LABELING	DIGITALIZATION
» FINANCIAL AND ECONOMIC	●	●	●	●	●	○	●
» LEGAL	●	●	●	●	●	●	●
» PRODUCTION AND TECHNOLOGY	●	●	●	●	●	○	●
» RESEARCH AND TECHNICAL	●	○	○	●	●	○	●
» PLEDGE ASSESSMENT	●	●	●	●	●	●	●

<sup>1</sup>expert reviews by a leasing company may be accepted

# LOAN SECURITY REQUIREMENTS<sup>1</sup>

## TYPES OF SECURITY ACCEPTED BY IDF

## DISCOUNT

### PRIMARY SECURITY

#### » INDEPENDENT GUARANTEES

▸ Guarantees of lending institution	0%
▸ Guarantees of the Federal Corporation of the Development of Small and Medium Enterprises, regional funds for the promotion of SME lending, constituents of the Russian Federation	0%
▸ Guarantees of financially sustainable legal entities, constituents of the Russian Federation	0%

#### » PLEDGES

▸ Precious metals in standart and/or measured bullions	0%
▸ Immovable material assets	15-40%
▸ Equipment (including that which is purchased during project implementation <sup>2</sup> ) and vehicles	25%

### ADDITIONAL SECURITY (not included calculation of the amount of security sufficient for the project)

- Personal guarantees
- Other types of security which cannot be classified as primary security based on the assessment of their quality

<sup>1</sup> loan security shall be no less than the loan amount + interest amount over the whole term

<sup>2</sup> to be taken in pledge after commissioning

# REVIEW OF APPLICATIONS UNDER IDF PROGRAMS



<sup>1</sup> for "Drug Labeling", "Leasing" programs

# CONSULTATION CENTER ON STATE SUPPORT FOR INDUSTRIAL ENTERPRISES

EACH DAY, THE CENTER OFFERS CONSULTATIONS IN THE FOLLOWING FOCUS AREAS:

1

IDF preferential loan programs

2

Subsidies to industrial enterprises for payment of interest on loans  
[Decree No. 3 of the RF Government]

3

Special Investment Contract (SPIC)

4

Federal support measures for industrial enterprises

5 CONSULTATION OPTIONS:



PHONES

8 (495) 120-24-16  
8 (800) 500-71-29



CONTACTS VIA WEBSITE

[frprf.ru](http://frprf.ru)



E-MAIL

[ask@frprf.ru](mailto:ask@frprf.ru)



MESSENGER

[facebook \(fb.com/rffrp\)](https://facebook.com/rffrp)



ONLINE CHAT

"Open lines"





**THANK YOU FOR YOUR  
ATTENTION!**



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