

FREE ECONOMIC ZONE

Republic of Crimea and the City of Federal Importance Sevastopol



General information







Preferences







**Submission and
obtaining of FEZ
participant status**









GENERAL INFORMATION

-  FEZ is created in accordance with Federal Law of the Russian Federation dated 29.11.2014 № 377-FZ «On Development of the Crimean Federal District and the Free Economic Zone on the Territory of the Republic of Crimea and the City of Federal Importance Sevastopol»
-  FEZ is established throughout the Republic of Crimea and the City of Federal Importance Sevastopol
-  The duration of FEZ is 25 years (till December 31, 2039)
-  Administrates a special regime for business and other activities, as well as Free Zone customs procedure

REGULATORY BODY

-  Federal Executive Authority authorized by the Government of the Russian Federation (Ministry of Crimean Affairs)
-  Experts councils on FEZ issues on the territory of the Republic of Crimea and the City of Federal Importance Sevastopol
-  Council of Ministers of the Republic of Crimea (delegated to the Ministry of Economic Development of the Republic of Crimea)
-  Government of Sevastopol (delegated to the Head Office of Economic Development of Sevastopol)






Ministry of the Russian Federation on Crimean Affairs

-  Provides the interaction and coordination FEZ authorities with public authorities
-  Adopt:
 -  Job order and personal composition of the expert councils (on agreement with the Council of Ministers of RC and the Government of Sevastopol);
 -  Draw form of a Contract on operation conditions in FEZ;
 -  Form of certificate of inclusion in the Unified Register of FEZ participants;
 -  Form of investment declaration
-  Issue a certificate of inclusion in the Unified Register of FEZ participant
-  Maintain the Unified Register of FEZ participants, etc.



EXPERT COUNCILS

- Interaction between Government authorities
- Evaluate draw projects of Contract on operation conditions in FEZ (projects with the volume of capital investments more than 100 million Rubles.)
And make decisions:
 - On adopting of the Contract on operation conditions in FEZ;
 - On refusal of adopting the Contract on operation conditions in FEZ;
 - On amendments to the Contract on operation conditions in FEZ


Ministry of Economic Development of the Republic of Crimea

-  Accepts documents from persons intending to get the status of FEZ participant
-  Provides organizational and logistical support of the Expert Councils on FEZ issues
-  Makes Contracts on operation conditions in FEZ
-  Supervises the execution of the Contract on operation conditions in FEZ
-  Submits an annual FEZ management review to the Ministry of Crimean Affairs

Criteria and restrictions

-  FEZ members are not entitled to carry out the activities in the following areas:
subsoil use for exploration and production of mineral minerals,
mining of the continental shelf of the Russian Federation
-  The potential participant of FEZ should be registered on a territory
the Republic of Crimea, held in tax accounting in the tax authority
and have the investment declaration, in a compliance with requirements

Criteria and restrictions


 Requirements for the capital investments amount during the first 3 years (not less than):



3 million Rubles - for small and medium enterprises



30 million Rubles - for the rest

 Capital investments - investments in fixed capital, including the costs of design and survey work, new construction, modernization, modernization of fixed assets, reconstruction of buildings, purchase of machinery, equipment, tools and inventory

Specialties of town-planning activity, land tenure, visas processing



Supreme executive authority of the Republic of Crimea is in charge of building licensing and commissioning of the property that are needed for project implementation (from 2017)



Participant of FEZ can obtain a land plot in lease without an auction, if this plot is needed to implement an investment project (from 2017)

*Article 8 of the Law of the Republic of Crimea dated 15th of January, 2015
№ 66-ZRC/2015*



Visas for investors and their presenters are processing immediately on the Border Inspection Point of the Russian Federation in time of entrance on the territory of the Republic of Crimea on a basis of formalized invitation (petition to the Ministry of Crimean Affairs)



Ordinary single tourist visa for foreign citizens for no longer than 30 days can be processed immediately on the Border Inspection Point of the Russian Federation in time of entrance on the territory of the Republic of Crimea

PREFERENCES



Tax relief



**Free Zone customs
procedure**

Tax relief



The rate of **corporate income tax**:

- Federal budget – **0% for 10 years;**
- Budget of Crimea – **2% during the first 3 years;**
– **6% - next 4 - 8 years;**
– **13,5 % - from the 9th year**

IMPORTANT! *This rates are applied under the condition of separate accounting of taxpayer incomes (expenses) from the activities as a participant of FEZ and incomes (expenses) from other activities*



Property tax relief – for 10 years



Accelerated depreciation with a coefficient of 2

Tax relief



Land tax relief for 3 years to each land plot that is needed to the participants of FEZ who use land plots on the territory of FEZ for the purpose of implementation of the Agreement of activity in FEZ



Reduced rates of an insurance premium – 7,6 %, including:

- 6% to the Pension Fund of the Russian Federation,
- 1,5% to the Social Insurance Fund,
- Federal Compulsory Medical Insurance Fund - 0,1%

IMPORTANT! *This preference is going to apply for those participants of FEZ who will register in first 3 years*

Free zone customs



A specific customs procedure of the Free zone customs within the territory of FEZ is carrying out in accordance with the Agreement dated 18th of June, 2010 for the issues of free (customs, specific) economic zones of the customs territory of the Customs Union and customs procedure of the Free zone customs



«**Free customs zone** – is a customs procedure where goods are placed and used within the territory of FEZ or it part without customs charges, taxes, and non-tariff regulation measures for foreign goods and without embargo or limitation of goods from the Customs Union»



Foreign goods under the customs procedure of the Free zone customs will have a status of foreign goods

OBTAINING THE STATUS OF FEZ PARTICIPANT



**Submission and
documents
filing**



**Documents reviewing
and conclusion of the
Contract on operation
conditions in FEZ**

STEP 1. Filing the investment declaration



Investment declaration is approved by the Order of the Ministry of Crimean Affairs dated the 14th of April, 2015 № 93 «On approving of the investment declaration form»



Investment declaration form is posted on:

- Official Internet portal of legal information
<http://www.pravo.gov.ru/>
- Site of the Ministry of Crimean Affairs
<http://www.mincrimea.gov.ru/> in a column «Free Economic Zone»
- Site of the Ministry of Economic Development of the Republic of Crimea
<http://minek.rk.gov.ru> in a column «Free Economic Zone»
- Site of the Head Office of Economic Development of Sevastopol
<http://investsevastopol.ru> in a column «FEZ»

STEP 1. Filing the investment declaration



Investment declaration is reviewing in a confidential manner



Investment declaration should be done in paper (original and a copy) and electronic format



During the filing in the investment declaration it is prohibited:

- To change the investment declaration form;
- To change the numerical order;
- Leave unfiled or incorrect filed fields (e.g. dashes or other signs)



Applicant of the investment declaration is in charge of credibility of information and achieving of the investment project goals

STEP 2. Paperwork



To obtain the status of FEZ participant it is necessary to submit the following documents :

- A statement of Contract on operation conditions in FEZ to the Ministry of Economic Development of the Republic of Crimea;
- Copies of constitutive documents (for legal entities);
- A copy of the legal entity or individual entrepreneur state registration certificate;
- A copy of the tax registration certificate;
- Investment declaration form approved by the Ministry of Crimean Affairs

STEP 2. Paperwork (example of an application)

Organization blank (if any)

The Ministry of Economic Development
of the Republic of Crimea

APPLICATION

According to the part 2 of the article 13 of the FL № 377 dated 29.11.2014 I kindly asking to conclude a Contract on operation conditions in FEZ.

Attachments:

- 1) _____ on _____ pages.
- 2) _____ on _____ pages.
- 3) _____ on _____ pages.
- 4)

Position

(signature)

Full name

STEP 3. Submission



Documents are accepting:



In the Ministry of Economic Development of the Republic of Crimea

(by previous appointment) address: Republic of Crimea,
Simferopol, Kirova avenue, 13, office № 416 or № 439.

Phones for appointment: +7 (3652) 54-42-94, 27-44-04, 54-43-94.

Working hours: Monday-Friday from 9:00 to 18:00,

Lunch break 13:00 - 14:00



in SFI «Multifunctioning Centre of the Republic of Crimea»

Address: 295017, Republic of Crimea, Simferopol,

Kirova avenue, 41. Working hours: Tuesday and Thursday
from 9:00 to 13:00



By post at address:

295005, Republic of Crimea, Simferopol, Kirova avenue, 13,
Ministry of Economic Development of the Republic of Crimea

STEP 4. Documents acceptance



All documents are accepting as per checklist, copy of which is sending to the Applicant



On the day of receipt of all documents the Ministry of Economic Development of the Republic of Crimea notify the Applicant of one of the following decisions:








On entertaining of the documents;



On refusal

IMPORTANT! Refusal decision conceded only by failure of documents

STEP 5. Reviewing of documents for projects with total capital investments of less than 100 million Rubles

-  Ministry of Economic Development of the Republic of Crimea reviews documents **within 7 days** in case when the investment declaration warrants a volume of capital investments **of less than 100 million Rubles**. As a result the Ministry provides the Applicant by the following decision:
 -  To conclude the Contract on operation conditions in FEZ
 -  To refuse to conclude the Contract on operation conditions in FEZ
-  **The day when a decision is made the signed Contract** on operation conditions in FEZ or rejection letter with reasons of refusal is sent to **the Applicant**
-  On a day when the Contract is concluded the copy of the Contract is sent to the Ministry of Crimean Affairs

STEP 5. Reviewing of documents for projects with total capital investments of more than 100 million Rubles



Applicant's document and a draft Contract are presented for consideration of the Expert Council within 7 days in case when the investment declaration warrants a volume of capital investments **of more than 100 million Rubles**



Within 15 days the Expert Council reviews documents and the draft Contract on operation conditions in FEZ and adopt the following **decisions**:






To conclude the Contract on operation conditions in FEZ



To refuse to conclude the Contract on operation conditions in FEZ

STEP 5. Reviewing of documents for projects with total capital investments of more than 100 million Rubles

-  **Decision of the Expert Council** on adopting of the Contract on operation conditions in FEZ **may also include** one or several commitments of amendments to the investment declaration that should be done by the Applicant and are taken into account when concluding of the Contract on operation conditions in FEZ
-  **The day when the Expert Council make a decision the concluded Contract** on operation conditions in FEZ or rejection letter with reasons of refusal is sent to the Applicant
-  The day when the Contract is concluded the copy of the Contract is sent to the Ministry of the Russian Federation of Crimean Affairs

STEP 6. Obtaining the certificate of FEZ participant



Within 3 days of the day of receipt of the copy of concluded Contract the Ministry of Crimean Affairs register the Applicant into the Unified Register of FEZ participants and send:



Unified Register of FEZ participants' registration certificate to the Free Economic Zone participant



Certified copy of the Unified Register of FEZ participants' registration certificate to the relevant authorities in sphere of customs affairs, taxation and insurance

STEP 7. Project monitoring and control



Ministry of Economic Development of the Republic of Crimea takes control over the implementation of projects on the territory of the Republic of Crimea



Aim of the control is to ensure that investment projects are implementing in a compliance with terms and capital investments volume specified in the Contract



Control Procedure specification is adopted by the Ministry of Crimean Affairs