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| Kaluga Region Law No.31-OZ of December 16, 1998 (edition of October 25, 2012)“On State Support of Investors in Kaluga Region”(adopted by Resolution No.537 of December 3, 1998 of the Kaluga Region Legislative Assembly) |
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December 16, 1998  No.31-OZ

**KALUGA REGION**

**LAW**

**ON STATE SUPPORT OF INVESTORS**

**IN KALUGA REGION**

Adopted by

Resolution No.537 of December 3, 1998
of the Kaluga Region Legislative Assembly

(edited by Kaluga Region Law No.331-OZ of October 25, 2012)

This Law establishes the forms, procedures and conditions for provision of state support to investors making capital investments (excluding investments in banks and other credit organizations and insurance organizations) by governmental authorities of Kaluga Region.

Article 1. Key Terms and Definitions

For purposes of this Law, the following terms and definitions shall be used:

Paragraph 2 of article 1 shall lose force on January 1, 2016 ([article 11](#Par190) of this document).

- production modernization program – an investment project involving reconstruction, technical upgrading, modernization and/or refitting of existing production, complying with requirements and conditions established by this Law;

Paragraph 3 of article 1 shall lose force on January 1, 2016 ([article 11](#Par190) of this document).

- register of production modernization programs – a systemized collection of information about production modernization programs, relating to which the authorized executive authority of Kaluga Region responsible for the implementation of the state investment activity support policy (hereinafter – authorized agency) has made a decision to include them in the register of production modernization programs;

- register of investment projects – a systemized collection of information about investment projects in Kaluga Region, excluding production modernization programs, relating to which the authorized agency has made a decision to include them in the register of investment projects.

Paragraph 5 of article 1 shall lose force on January 1, 2016 ([article 11](#Par190) of this document).

Other terms and definitions are used in this Law in accordance with the Federal Law “On Investment Activities in the Form of Capital Investments in the Russian Federation”, the RSFSR Law “On Investment Activities in the RSFSR”.

Article 2. Principles of State Support of Investors

State support of investors in Kaluga Region is based on the following principles:

- economic feasibility of decisions on state support of investors made by state authorities of Kaluga Region;

- openness and accessibility of information about state support of investors to all investors;

- equality of investors qualifying for state support;

- balance between state and private interests in state support of investors.

Article 3. Forms and Conditions of State Support of Investors in Kaluga Region

1. State support is provided to investors in Kaluga Region by state authorities of Kaluga Region within the scope of their competence.

2. State support to investors in Kaluga Region is provided in forms established by federal legislation and also in the following forms:

- provision of funds from the regional budget;

- tax benefits;

- state guarantees of Kaluga Region;

- participation of Kaluga Region’s executive authorities in development, review and implementation of long-term (departmental) targeted programs and individual investment projects;

- information support.

3. Each investor can receive state support in several forms.

4. Priority state support is provided to investors that generate at least 70% of their income from sales of goods (works, services) in the tax (report) period from manufactured goods included in the list of priority economic activities of Kaluga Region based on the All-Russian Classifier of Economic Activities.

The supreme executive authority of Kaluga Region approves the list of priority economic activities of Kaluga Region based on the All-Russian Classifier of Economic Activities indicating codes of such economic activities.

The words “and (or) production modernization programs of investors must be included in the register of production modernization programs” shall lose force on January 1, 2016 ([article 11](#Par191) of this document).

5. To qualify for state support, investment projects must be included in the register of investment projects and (or) production modernization programs of investors must be included in the register of production modernization programs.

Article 4. Register of Investment Projects

1. An investment project is included in the register of investment projects (for purposes of this Article – the Register) if it meets all of the following requirements, excluding investment projects indicated in [clause 8](#Par109) of this article:

1) the investment project is implemented (planned for implementation) in Kaluga Region;

2) the planned total amount of capital investments to be made in the first three years of investment project implementation is at least RUR 100 million.

2. In order for the authorized agency to make a decision to include the investment project in the Register, the investor must submit the following documents (hereinafter – set of documents):

1) investor’s application for including of an investment project in the Register executed in accordance with the form approved by the authorized agency;

2) copies of constituent documents with all amendments and supplements;

3) copy of the certificate of state registration of a legal entity;

4) copy of the certificate of registration with the tax agency;

5) investment project passport executed in accordance with the form approved by the authorized agency;

6) documents confirming authorities of the signatory of the investor’s official request for including of the investment project in the Register and the investment project passport.

3. Reasons for rejection of the set of documents are:

1) failure to provide a complete set of documents as indicated in [clause 2](#Par67) of this article;

2) noncompliance of the investment project passport with the requirements to its contents and completion as indicated in [clause 4](#Par79) of this article;

3) discovery of inaccurate information in submitted documents;

4) presence of erasures, additions, crossed out words and other corrections or serious damage preventing unambiguous interpretation of their contents.

4. Investment project passport.

4.1. The investment project passport must contain the following information:

1) investment project name;

2) investment project aim;

3) place of implementation of the investment project in Kaluga Region;

4) period and stages of implementation of the investment project;

5) form of investment project implementation (construction, reconstruction of a capital construction object, other investments in fixed assets);

6) total amount of capital investments in the investment project;

7) schedule of capital investments by investment project implementation stage;

8) estimated number of new jobs created at each investment project implementation stage;

9) formation about the size, category and allowed use of the land lot available or required for the implementation of the investment project in accordance with the investment project passport;

10) information about estimated average monthly salaries to be paid upon completion of each investment project implementation stage.

5. Procedure for issuing of the authorized agency’s decision to include or reject to include an investment project in the Register.

5.1. The set of documents indicated in [clause 2](#Par67) of this article is reviewed by the authorized agency within ten business days after the date of submission of the set of documents. The date of submission is the date of delivery of the set of documents to the authorized agency.

5.2. During the review of the investment project passport, the authorized agency verifies the compliance of information included therein with the requirements established in [sub-clause 4.1](#Par80) of this article. Responsibility for the accuracy of information included in the investment project passport is borne by the investor.

5.3. Upon reviewing the set of documents, the authorized agency issues a decision to either include the investment project in the Register or to reject to include the investment project in the Register.

A decision to include an investment project in the Register must contain:

- investment project name as indicated in the investment project passport;

- full name of the investor, whose investment project is included in the Register, as indicated in constituent documents;

- investment project aim;

- number and date of entry made in the Register.

If the investor fails to comply with the requirements indicated in [clause 1](#Par64) of this article, the authorized agency issues a decision to reject to refuse to include the investment project in the Register.

The decision to include an investment project in the Register or to reject to include an investment project in the Register is issued in two copies. One copy is sent to the investor, and the other is kept by the authorized agency.

5.4. An investor can resubmit the request to include an investment project in the Register after eliminating the reasons for the initial rejection. Resubmitted requests of investors to include projects in the Register are reviewed in accordance with the same procedure as initial requests.

6. Adjustment of investment project goals specified in the investment project passport is not allowed.

7. An investment project can be removed from the Register only in the following cases:

- if the investor submits a written request for removal from the Register;

- if an entry on the liquidation of a legal entity investor is made in the Uniform State Register of Legal Entities;

- if any inaccurate information is found in documents submitted in accordance with [clause 2](#Par67) of this article.

A notification on removal of an investment project from the Register must be personally delivered to the investor or sent by mail within ten business days after making of the entry on removal from the Register in the Register.

8. Investment projects of investors having signed agreements on cooperation (investment agreements) with the Government of Kaluga Region before the effective date of this Law are included in the Register in case of their compliance with all of the requirements indicated in [clause 1](#Par64) of this article.

9. In case of succession after reorganization of a legal entity, the new investor is included in the Register. In this case the date of the beginning of the investment project is the date of the beginning of the investment project previously established for the legal entity that was reorganized.

10. The procedure for maintenance of the Register and its amendment is approved by the authorized agency.

Article 5 shall lose force on January 1, 2016 ([article 11](#Par192) of this document).

Article 5. Register of Production Modernization Programs

1. A production modernization program is included in the register of production modernization programs (for purposes of this Article – the Register of Programs) if it complies with all of the following requirements:

1) the production modernization program is implemented (planned for implementation) by a legal entity registered in Kaluga Region and with an enterprise located in Kaluga Region;

2) the total amount of capital investments in reconstruction, technical upgrading, modernization and/or refitting of production within the scope of the production modernization program made in the period from January 1, 2013 to December 31, 2015 is at least RUR 10 million.

2. In order for the authorized agency to make a decision to include the production modernization program in the Register of Programs, the investor must submit the following documents (hereinafter – set of documents):

1) investor’s application for including of the production modernization program in the Register of Programs executed in accordance with the form approved by the authorized agency;

2) production modernization program approved by the investor’s senior executive or person authorized to act on behalf of the investor, the contents and execution of which must comply with the requirements indicated in [clause 4](#Par134) of this article;

3) documents confirming the authorities of the signatory of the official request and the production modernization program;

4) copies of constituent documents with all amendments and supplements;

5) copy of the certificate of state registration of a legal entity;

6) copy of the certificate of registration with the tax agency.

3. Reasons for rejection of the set of documents are:

1) failure to provide a complete set of documents as indicated in [clause 2](#Par67) of this article;

2) noncompliance of the production modernization program with the requirements to its contents and completion indicated in [clause 4](#Par79) of this article;

3) the production modernization program was submitted after the deadline indicated in [sub-clause 4.2](#Par141) of this article;

4) discovery of inaccurate information in submitted documents;

5) presence of erasures, additions, crossed out words and other corrections or serious damage preventing unambiguous interpretation of their contents.

4. Production modernization program (hereinafter – the Program).

4.1. The Program can be executed by the investor in any form and must contain the following mandatory information:

1) description of the nature of production and manufactured final products;

2) names of fixed assets subject to reconstruction, technical upgrading, modernization and/or refitting, as indicated in the list of fixed assets, with indication for each fixed assets of the relevant code in accordance with the All-Russian Classifier of Fixed Assets ОK 013-94;

3) list of works associated with the reconstruction, technical upgrading, modernization fir each fixed asset, list of units, components and parts subject to refitting, indicating the amount of capital investments to be made in relation with such works for each fixed asset and overall in accordance with current market prices (quoting sources of information); the total amount of capital investments must be at least RUR 10 million;

4) expected results of the Program, including their quantitative evaluation and cost effect;

5) period of implementation of the Program, which cannot be earlier than the effective date of this Law.

4.2. The Program can be submitted to the authorized agency for registration by the investor personally, or sent by mail with a description of enclosures before November 30, 2015.

4.3. An investor can submit for registration a program that was approved before the effective date of the Law, if it meets the requirements of this article’s clauses.

5. Procedure for issuing of the authorized agency’s decision to include or reject to include a program in the Register of Programs.

5.1. The set of documents indicated in [clause 2](#Par121) of this article is reviewed by the authorized agency within ten business days after the date of submission of the set of documents. The date of submission is the date of delivery of the set of documents to the authorized agency.

5.2. During the review of the Program, the authorized agency verifies the compliance of information included therein with the requirements established in [sub-clause 4.1](#Par135) of this article. Responsibility for the accuracy of information included in the Program is borne by the investor.

5.3. The authorized agency can send to the investor by personal delivery or by mail a written request for explanations regarding the submitted Program in order to clarify information therein and to fix a deadline of 30 days from the moment of sending of the request for submission of such explanations. Together with such explanations, the investor can also provide additional documents that are not indicated in [clause 2](#Par121) of this article.

If any explanations are pending within the period indicated in [sub-clause 5.1](#Par144) of this article, the review of the set of documents is suspended until such explanations and/or additional documents indicated in [sub-clause 5.3](#Par146) of this article are provided by the investor.

5.4. Upon reviewing the set of documents, the authorized agency issues a decision to either include the Program in the Register of Programs or to reject to include the Program in the Register of Programs.

The decision to include a Program in the Register of Programs must contain:

- name of the Program as indicated in the submitted Program;

- full name of the investor, whose Program is included in the Register of Programs, as indicated in submitted documents;

- aim of the Program;

- number and date of the entry in the Register of Programs.

If the investor fails to comply with the requirements indicated in [clause 1](#Par118) of this article, or if the investor fails to provide explanations relating to the submitted Program in accordance with [sub-clause 5.3](#Par146) of this article, the authorized agency issues a decision to reject to include the Program in the Register of Programs.

The decision to include a Program in the Register of Programs or to reject to include a Program in the Register of Programs is executed in two copies. One copy is provided to the investor, and the other is kept by the authorized agency.

5.5. An investor can resubmit the request to include a Program in the Register of Programs after eliminating the reasons for the initial rejection, but not later than within the period indicated in [sub-clause 4.2](#Par141) of this article. Resubmitted requests of investors to include a Program in the Register of Programs are reviewed in accordance with the same procedure as initial requests.

5.6. A Program can be removed from the Register of Programs in the following cases:

- if the investor submits a written request for removal from the Register of Programs;

- if an entry on the liquidation of a legal entity investor is made in the Uniform State Register of Legal Entities;

- if any inaccurate information is found in documents submitted in accordance with [clause 2](#Par121) of this article.

A notification on removal of a Program from the Register of Programs must be personally delivered to the investor or sent by mail within ten business days after making of the entry on removal from the Register of Programs in the Register of Programs.

6. In case of succession after reorganization of a legal entity, the new investor is included in the Register of Programs. In this case the date of the beginning of the investment project is the date of the beginning of the investment project previously established for the legal entity that was reorganized.

7. The procedure for maintenance of the Register of Programs and its amendment is approved by the authorized agency.

Article 6. Provision of Funds from the Regional Budget to Investors

Budget funds can be provided to investors for implementation of investment programs and projects on non-repayable basis and without consideration or on a repayable basis and with consideration in the following forms:

- budget investments – provided in accordance with the procedure and on conditions established by budget legislation of the Russian Federation and Kaluga Region’s law on the regional budget for the relevant financial year and planning period;

- subsidies – provided in accordance with the procedure and on conditions established by budget legislation of the Russian Federation, Kaluga Region’s laws and regulatory acts of state authorities of Kaluga Region responsible for regulation of legal relations associated with subsidies.

Article 7. Provision of Tax Benefits to Investors

Tax benefits are provided to investors in accordance with legislation on taxes and dues of the Russian Federation and Kaluga Region.

Article 8. Provision of State Guarantees of Kaluga Region

State guarantees of Kaluga Region are provided to investors implementing investment projects in accordance with the legislation.

Article 9. Development of Long-Term (Departmental) Targeted Programs

Long-term (departmental) targeted programs intended to provide state support to investors are developed in accordance with the procedure established by the supreme executive authority of Kaluga Region.

Article 10. Information Support of Investors

Information support is provided to investors by state authorities of Kaluga Region within the scope of their competence.

Article 11. Transitional Clauses

The following clauses shall lose force on January 1, 2016:

- [paragraphs two, three](#Par26) and [five of article 1](#Par35) of this Law;

- words “and (or) production modernization programs of investors must be included in the register of production modernization programs” in [clause 5 of article 3](#Par60) of this Law;

- [article 5](#Par116) of this Law.

V.V.Sudarenkov

Governor of Kaluga Region

Kaluga

December 16, 1998

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