SUBSIDIES TO THE RESIDENTS OF TOURISM AND RECREATION SPECIAL ECONOMIC ZONES IN THE NORTH CAUCASUS FEDERAL DISTRICT, KRASNODARSKY KRAI AND THE REPUBLIC OF ADYGEYA
The Decree of the Government of the Russian Federation No. 46 dated 25 May 2016, approved the Rules for Providing Subsidies from the Federal Budget to the Residents of Tourism-Recreational Special Economic Zones, Which are Combined by the Decision of the Government of the Russian Federation into a Cluster, for Reimbursement of a Part of the Costs of Interest for Loans to Finance Construction (Reconstruction, Modernisation) of Capital Facilities, as well as to Purchase Equipment (hereinafter - the 'Rules').

The subsidies are granted within the sub-program 'Development of the Tourism Cluster in the North Caucasus Federal District, Krasnodarsky Krai and Republic of Adygeya' under the State Program of the Russia - 'Development of the North Caucasus Federal District', for the period up to 2025 for the reimbursement of actually incurred and documented costs of residents related to interests on loans obtained in the Russian credit organisations under loan agreements.

The residents of tourism and recreation special economic zones combined into a tourism cluster are entitled to apply for the subsidies subject to compliance with the requirements established by the Rules, in particular:

- a resident has no outstanding (unsettled) debt on financial obligations to the Russian Federation and on obligatory payments to the budgets of the Russian Federation;

- the cost of construction (reconstruction, modernisation) of capital facilities is not less than 10 million roubles, or the total cost of the purchased equipment is not less than 5 million roubles;

- the amount of credit funds raised by a resident is no more than 70% of the cost of construction (reconstruction, modernisation) of capital facilities or purchase cost of the equipment;

- a loan agreement concluded by a resident after 1 January 2014;

- a loan was granted in roubles for the purpose to finance construction (reconstruction, modernisation) of capital facilities in the tourism industry, including hotels and other accommodation facilities, sanatorium-resort therapy facilities, leisure and catering facilities, entertainment facilities, educational, business, medical and health and physical education and sports facilities, as well as to purchase equipment required for tourism business.

The subsidy is granted under a contract concluded between the competent authority and the resident for the period that cannot exceed the term of the loan agreement.

The subsidy may be granted within an amount calculated based on 100% key rate of the Central Bank of Russian Federation as effective at the time of granting of signing the subsidy contract.

The residents that are to be granted the subsidies are selected by the competent authority at least once a year.

A subsidy contract with the selected residents shall entered into by the competent authority within 20 business days upon adoption of the decision on the residents' selection.
The Rules became effective on 8 June 2016.

****

Best Regards,
GRATA International Law Firm (Moscow)

This information is provided for your convenience and does not constitute legal advice. It is prepared for the general information of our clients and other interested persons and it may include links to websites other than the GRATA International website. This information should not be acted upon in any specific situation without appropriate legal advice.

What we do:

– Advising on the choice of form of incorporation for doing business;
– Legal support of the state accreditation for branches and representative offices of foreign legal entities;
– Legal support of the state registration of legal entities and changes to the foundation documents;
– Structuring and full legal support of the establishment of joint ventures and M&A transactions;
– Development of foundation documents, shareholders agreements and participation agreement, and internal regulations;

Contacts:
Yana Dianova
Director of Corporate and Commercial Law Department
GRATA International Law Firm (Moscow)
Tel: +7 (495) 660 11 84
E-mail: ydianova@gratanet.com