

MOSCOW REGION DEVELOPMENT CORPORATION



**SPIC in the Moscow Region:
Mercedes case**

WHY MOSCOW REGION?

Daimler made its choice in 2015

Best offered conditions for localization:

- land plot with an excellent transportation access;
- providing infrastructure;
- providing wide range of tax incentives;
- Esipovo industrial park logistics benefits;
- Moscow region government active support within collaboration with Federal structures



Axel Bense

Chief Executive of
«Mercedes-Benz Manufacturing RUS»

«Russia, as one of the largest automobile markets in Europe, is certainly of great interest to «Daimler AG», and the localization of production in the country provides additional benefits for the automotive group. The construction of a new factory for the production of Mercedes-Benz cars is a huge investment and, therefore, a great responsibility. Because of that, we carefully studied a number of sites throughout Russia, looked at land plots, assessed opportunities and compared investment conditions.

In the end, we chose the best option. Logistics, human resources, the proximity of consumer markets, and, most importantly, the support and assistance of regional authorities in the implementation of our project have made industrial park «Esipovo» the ideal site for production localization. We are confident that our enterprise will become a new point of economic growth in Moscow Region and will successfully function for many years to come.»

BACKGROUND



1 year between SPIC application and signing a document



Investor vs Minpromtorg contradictions on the content of Agreement

Discussions with Moscow region on legal queries regarding the specific land plot



Mercedes-Benz



As part of the Region's support the following points were included:

- providing engineering and transport infrastructure by the regional government
- education program for future employees

EXPECTATIONS VS REALITY



INVESTOR

Reimbursement of the costs in case of the conditions' deterioration

Non-deterioration of tax conditions

The sole product supplier status and a guaranteed amount of product purchase by state

0% profit tax for investor and engaged parties

SPIC final version

A guarantee for the investor and engaged parties of the same conditions as mentioned in the date of signing an agreement

Dependence on RF annual budget limits

Correspondence to Federal Act No. 44

Exclusive for investor

Special Investment Contract (SPIC)

Investment amount:

Federal SPIC < 750 mln. Rub

Moscow region SPIC < 1 bln. Rub

Federal regulations
(90% profit from SPIC)

Profit tax:

0% till 2025

10% 2026 – 2028

15,5% starting from 2029

Property tax:

0% for 10 years

Federal regulations
(less than 90% profit
from SPIC)

Profit tax:

15,5% for 10 years

Property tax:

0% for 10 years

Moscow Region SPIC

Profit tax:

12,5% for 10 years

Property tax:

0% for 10 years

Step 1

Make a request for analysis of the Moscow Region market within the chosen economic field, economic situation, latest trends

Step 2

Fill in the form to pick the best suitable sites or find local business partners

Step 3

Get full assistance and support of the investment project

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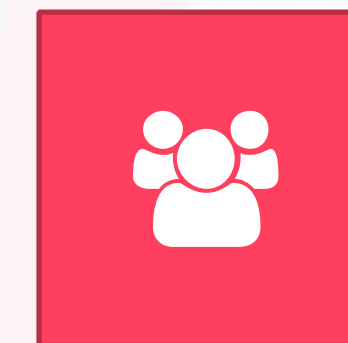
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