

VEGAS LEX DISCUSSES SPECIAL INVESTMENT CONTACTS AT 5TH CENTRAL RUSSIAN ECONOMIC FORUM

VEGAS LEX Partner, Head of special projects Maxim Grigoryev spoke about the specifics of concluding Special Investment Contacts at CREF-2016.

On July 1, 2016 the Kursk Region hosted the 5th Central Russian Economic Forum devoted to economic development strategies for Russia and for some of its regions. VEGAS LEX Partner, Head of special projects [Maxim Grigoryev](#) spoke during a cross-sectoral discussion, *Strategy for building a high-tech industry of the future*, organized with the participation and support of the Ministry of Industry and Trade.

In his presentation, Mr. Grigoryev discussed a new instrument of state support for investors, the [Special Investment Contract \(SIC\)](#). Under a SIC, an investor is entitled to unprecedented benefits, preferences and other incentives on the part of the Russian Government, regional and municipal authorities in exchange for setting up or upgrading a local industrial facility in Russia (investment object). In return, the authorities can establish a special regime; provide statutory and (or) actual privileges; ensure competitive parity, stability of tax and regulatory conditions; and facilitate the obtaining of a special status.

According to the expert, the main problem with the conclusion of such contracts at the federal and regional levels is the discrepancy in the understanding of the purpose and functioning of the SIC between the investor and the authority. There is also a lack of transparent rules for filling the contract with balanced content, ones that would be clear to private companies (especially foreign ones). Many Russian regions also lack relevant regulatory frameworks or effective regional incentives, which would be attractive for investors*.

Among other things, the participants discussed problems of maintaining inter-branch balance in the industry; measures to overcome the imbalance of supply and demand; regional industrial development strategies; industrial policy laws; ways to support industries that use high-tech achievements and create the demand for a large number of components; development strategies for traditional economic activities; the development of new industries based on advanced technology, etc.

The participants included Head of Regional Policy Department at the Industry Development Fund **Vladimir Borgardt**; Chairman of the Russian Chamber of Commerce Council on Industrial Development and Competitiveness of the Russian Economy **Konstantin Babkin**; Chairman of the Kursk Region Committee for Industry, Transport and Communications **Sergei Shatalov**; Project Manager of the SKOLKOVO Center for Urban Studies **Sergei Zhuravlyov** and others.

* http://www.akm.ru/rus/news/2016/june/14/ns_5547907.htm

The Central Russian Economic Forum program is available at: <http://www.sef-kursk.ru/2016/eng/index.jsp#>.

For more information on VEGAS LEX's services and support of investment projects, please go [here](#).