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Positive trend in investment climate and reduction of administrative barriers. Continued hurdles for SMEs

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SME — Positive



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- Positive trend in investment climate despite sanctions
- Great chances for SME in all areas of supply chain and professional services
- SME are the backbone of every economy but not enough developed in Russia
- The need to develop SME is understood by the Russian President and Government

SME — Positive



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- Law amendments to the Federal law FZ-209 which are in force since December 01, 2018 that there is no limitation in the structure of charter capital of the Russian SMEs with regard to foreign participants
- Possibility to personally submit registration documents signed by an individual "digital signature" in electronic form (without preliminary notarization)
- Possibility to submit registration documents through a notary in electronic form
- Implementation of electronic interaction system between registration (tax) bodies and so-called "multifunctional centers"; possible issuance of all registration documents in electronic form (the latter not being actually implemented yet)



SME — Negative

- Whereas business set up became easier in the last 5 years, recently the set up of new companies became more bureaucratic again – tax authorities –

A contra productive development!

- Unofficial toughening of requirements
 - to shareholders
 - members of managing bodies (especially general managers)
 - legal addresses and rented premises
 - registration documents; additional checks and coordination procedures with registration authorities (officially declared reason: fighting illegal business)

examples: preliminary checks of registration documents before filing, examinations of future managing directors at the premises of registration bodies (several examinations within one procedure are possible), on-site inspections of the premises and direct communication of registration bodies' representatives with owners of the rented premises

SME — Negative



- Temporary suspensions of registrations for additional check of data
 - checking of the data to be included into EGRUL
 - checking the data already included into EGRUL
 - Addresses
 - Shareholders
 - Managing directors
 - Risk to be marked as "mass" address, MD etc.
- informing servicing banks about the above mentioned checks of suspicious data
- they can even recommend to block the company's bank accounts
- servicing banks also steadily toughen their document requirements

SME – What is needed



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- Reduce bureaucratic hurdles
- Simplify registration procedures
- Simplify tax declaration
- Promote and motivate international SME to invest in Russia
- Motivate large corporations to cooperate with SME
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Companies and Activities

- 000 Most Service – an accounting outsourcing provider
- 000 Most Management – a general and project management provider
- 000 Balashova Bruck & Partners – partnership with Balashova Legal Consultants
- Organizer of “RED BULL TRANS-SIBERIAN EXTREME” – the longest bicycle race in the world
- Organizer of “VIENNESE CLASSICS” concerts in Moscow
- Lecturer at the “University of Natural Resources” in Vienna
- President and founder of the Austrian Economic Forum
- Vice Chairman of the AEB Board for SMEs
- Vice Chairman of the AEB SME Committee



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