

RUSSIAN FEDERATION
FEDERAL LAW
ON VLADIVOSTOK FREEPORT

Passed by
the State Duma
on July 3, 2015

Approved by
the Federation Council
on July 8, 2015

Chapter 1. GENERAL PROVISIONS

Article 1. Scope and objectives of this Federal Law

1. This Federal Law governs the relations involving the foundation and operations of Vladivostok Freeport.

2. The objectives of this Federal Law include:

1) support of interaction of federal authorities, regional authorities of Primorye Territory, local authorities, general public, entrepreneurs and investors, for the purpose of the development of Vladivostok Freeport;

2) use of geographic and economic advantages of Primorye Territory as the Eastern sea gate of the Russian Federation for the integration into the economic area of APC states;

3) development of cross-border trade with APC national;

4) establishment and development of industries based upon application of modern technologies and intended to manufacturing of products competitive in APC states, in Vladivostok Freeport;

5) acceleration of social and economic development of the territory of Vladivostok Freeport and improvement of life quality of the Far East population.

Article 2. Definition of Vladivostok Freeport

Vladivostok Freeport shall mean a part of Primorye Territory subject to the measures of State support to entrepreneurial activity according to this Federal Law and other federal laws.

Article 3. Founding of Vladivostok Freeport and cancellation of measures of State support at Vladivostok Freeport

1. Vladivostok Freeport shall be established for seventy years. The life span of Vladivostok Freeport may be prolonged by a federal law.

2. The application of the measures of State support for business at Vladivostok Freeport may

be terminated only on the basis of a federal law, provided that it is related to the protection of human life and health, preservation of cultural heritage sites (historical and cultural landmarks) of the Russian Federation nations, environment protection, or national defense and security.

Article 4. Territory of Vladivostok Freeport

1. The territory of Vladivostok Freeport shall include the following municipal entities of Primorye Territory: Artyomovsk municipal district, Vladivostok municipal district, Bolshoy Kamen municipal district, Nakhodka municipal district, Partizansk municipal district, Spassk-Dalniy municipal district, Ussuriysk municipal district, Nadezhdino municipal district, Shkotovo municipal district, Oktyabrsky municipal district, Olgino municipal district, Partizansk municipal district, Pogranichny municipal district, Khasan municipal district, Khankai municipal district, including territories and water areas of sea ports situated in the territories of these municipal entities.

2. Vladivostok Freeport shall not include the territories of a special economic zone, a regional development zone, or a territory of rapid socio-economic development.

Article 5. Financing of foundation (modernization) of infrastructure facilities at Vladivostok Freeport

The financing of foundation (modernization) of transport, energy, communal engineering, social, innovative and other infrastructure facilities at Vladivostok Freeport (hereinafter referred to as the “infrastructure facilities of Vladivostok Freeport”) shall be fulfilled at the expense of extra-budgetary resources with the use of public and private partnership mechanisms, and also, at the expense of allocations from the federal budget, Primorye Territory budget, and budgets of municipal entities included into the territory of Vladivostok Freeport, in order established by the budgeting laws of the Russian Federation.

Article 6. Conducting of business at Vladivostok Freeport

1. Any business not prohibited by legislation of the Russian Federation may be carried out at Vladivostok Freeport.

2. Types of business prohibited for residents of Vladivostok Freeport shall be determined by resolution of the Supervisory Council of Vladivostok Freeport.

3. Supervisory Council of Vladivostok Freeport is entitled to determine the types of business not subject to the measures of State support for business.

4. Selection criteria of residents of Vladivostok Freeport shall be determined by the Russian Federation Government.

Chapter 2. MANAGEMENT OF VLADIVOSTOK FREEPORT

Article 7. Supervisory Council of Vladivostok Freeport

1. Supervisory Council of Vladivostok Freeport is a collegial managing body of Vladivostok Freeport.

2. Supervisory Council of Vladivostok Freeport shall perform the following functions:

1) monitoring of economic processes at Vladivostok Freeport, and assessment and approval of measures necessary for the development of Primorye Territory, improvement of investment and business climate, maintenance of balance of interests of citizens residing on the territory of Vladivostok Freeport and entrepreneurs;

2) assessment and approval of measures necessary for the prevention or elimination of excessive or unwarranted interference of control (supervisory) bodies into the activities carried out by residents of Vladivostok Freeport (including proposals on functional audits against officers and application of disciplinary actions to such officers);

3) coordination of activities of state and local authorities on matters of development and operations of Vladivostok Freeport;

4) determination of a maximal quota of foreign professionals employed by the residents of Vladivostok Freeport;

5) other functions and powers provided by this Federal Law.

3. Supervisory Council of Vladivostok Freeport shall include: Deputy Chairman of the Russian Federation Government coordinating the activities of federal executive bodies on matters of government policy in the field of comprehensive social and economic development of subjects of the Russian Federation belonging to the Far-East Federal District, Head of the competent federal authority, Head of supreme executive body of Primorye Territory, Chairman of legislative (representative) body of Primorye Territory, heads of municipal entities included into the territory of Vladivostok Freeport, deputy heads of the federal executive body competent in the formulation of government policy and statutory regulation in the public sector, the federal executive body competent in customs affairs, the federal executive body competent in control and supervision over observance of tax and fees legislation, the federal executive body competent in formulation of government policy and statutory regulation in the industrial and defense-industrial sector, and the head of the Management Company. The Supervisory Council of Vladivostok Freeport shall also include the representatives of territorial unions (associations) of trade union organizations and territorial unions of the employers, entitled to participate in solving questions mentioned in Paragraph 4, Part 2 of this Article.

4. Members of the Supervisory Council of Vladivostok Freeport shall be approved by the Russian Federation Government. The Russian Federation Government is entitled to include the heads (deputy heads) of federal executive bodies not provided in Part 3 of this Article, into Supervisory Council of Vladivostok Freeport.

5. Deputy Chairman of the Russian Federation Government coordinating the activities of federal executive bodies on matters of government policy in the field of comprehensive social and economic development of subjects of the Russian Federation belonging to the Far-East Federal District shall be a Chairman of Supervisory Council of Vladivostok Freeport. Head of the competent federal authority shall be a Deputy Chairman of Supervisory Council of Vladivostok Freeport.

6. The Supervisory Council of Vladivostok Freeport shall act according to the regulation approved at the meeting of Supervisory Council of Vladivostok Freeport and signed by its Chairman.

7. The meeting of the Supervisory Council of Vladivostok Freeport shall be held by its Chairman, and if absent – by the Deputy Chairman of Supervisory Council of Vladivostok Freeport.

8. The meeting of the Supervisory Council of Vladivostok Freeport shall be duly constituted if over a half of its members participate in this meeting. Vladivostok Freeport Supervisory

Council members shall participate in its meetings with no right of proxy. A member of Supervisory Council of Vladivostok Freeport absent at the meeting may state his/her view on the matters discussed in written form.

9. Resolutions of the Supervisory Council of Vladivostok Freeport shall be made by a simple majority vote of members present at the meeting of the Supervisory Council of Vladivostok Freeport. Resolutions of the Supervisory Council of Vladivostok Freeport shall be recorded in the minutes, and the minutes shall be signed by the Chairman, unless otherwise provided by this Federal Law.

10. Resolutions of the Supervisory Council of Vladivostok Freeport shall be published on its official Internet webpage.

Article 8. Authorized federal body

1. An authorized federal body means a federal executive body whose function is to coordinate the activities related to the implementation of government programs and federal grant programs in the Far-East Federal District.

2. The authorized federal body shall exercise the following powers:

1) approve an order of maintenance of the register of Vladivostok Freeport residents, contents of information in this register as well as a procedure of provision of information contained in this register;

2) control of the Management Company's activities;

3) maintain the register of Vladivostok Freeport residents;

4) support the operations of the Supervisory Council of Vladivostok Freeport;

5) allocate, as agreed by the Supervisory Council of Vladivostok Freeport, federally owned land plots free of any third-party rights and situated within the territory of Vladivostok Freeport, for the accomplishment of investment projects by the residents of Vladivostok Freeport;

6) decide, as agreed by the Supervisory Council of Vladivostok Freeport, on resumption and compulsory acquisition (expropriation) of land plots for location of infrastructure facilities of Vladivostok Freeport;

7) acquire servitudes for land plots for location of infrastructure facilities of Vladivostok Freeport;

8) exercise other powers provided by this Federal Law.

3. The authorized federal body may delegate its powers under Clause 3 & 4 of Part 2 of this Article to the Management Company. Delegation of powers shall be documented in an agreement executed by and between the authorized federal body and the Management Company.

4. For the purposes of this Federal Law, the Management Company means a management company determined by the Russian Federation Government under the Federal Law of December 29, 2014 N 473-FL "On the territories of rapid social and economic development in the Russian Federation" for support of operations of the territories of advanced social and economic development in the Far-East Federal District, or its subsidiary.

5. The Management Company shall perform the following functions:

1) examination of the application for concluding the implementation agreement and the assessment of the business plan submitted;

2) conclusion of the implementation agreement;

3) control of compliance with the implementation agreement by the residents of Vladivostok Freeport;

4) other functions provided by this Federal Law and the agreement concluded with the authorized federal body.

Article 9. Public Council of Vladivostok Freeport

1. The Public Council of Vladivostok Freeport including the representatives of non-governmental organizations, all-Russian associations of trade unions, all-Russian employers' associations, consumers' associations, scientific and research organizations, expert organizations, as well as physical persons, may be established under the authorized federal body.

2. The Public Council of Vladivostok Freeport shall act on the basis of Provision approved by the Supervisory Council of Vladivostok Freeport and establishing the procedure of convening, rotation of members and procedure of meetings held by the Public Council of Vladivostok Freeport, the procedure of decision-making and formation of assigned teams under this Public Council.

Chapter 3. LEGAL STATUS OF RESIDENTS OF VLADIVOSTOK FREEPORT

Article 10. General conditions of activity of the residents of Vladivostok Freeport

1. A resident of Vladivostok Freeport shall mean an individual entrepreneur, or a commercial organization (legal entity) registered on the territory of Vladivostok Freeport according to the legislation of the Russian Federation (except the state and municipal unitary enterprises) which has executed an implementation agreement under this Federal Law and entered into the register of residents of Vladivostok Freeport.

2. Residents of Vladivostok Freeport shall carry out their operations according to this Federal Law, other legal enactments of the Russian Federation and the Implementation Agreement.

Article 11. Procedure and grounds for obtaining and termination of the Vladivostok Freeport resident status

1. An individual entrepreneur, or a legal entity claiming to become a resident of Vladivostok Freeport and complying with the requirements to the residents of Vladivostok Freeport established by this Federal Law, shall submit to the Management Company an application for execution of an implementation agreement (hereinafter referred to as the "Applicant"). The application for execution of an implementation agreement (hereinafter referred to as the "Application") shall contain the following information:

- 1) types of business planned to be carried out by the Applicant at Vladivostok Freeport;
- 2) the address of a land plot or other real estate where the Applicant plans to carry out their business, as well as the title to the above-mentioned property;
- 3) the term for which the Applicant plans to execute the implementation agreement;
- 4) information on duty-free customs treatment applied by the Applicant in case the Applicant plans to apply this treatment.

2. The following documents shall be submitted together with the application:

- 1) copies of statutory documents (for legal entities);
- 2) the business plan according to the requirements established by the authorized federal

body;

3) a copy of Certificate of State registration of a legal entity, or an individual entrepreneur;
4) a copy of Tax authority registration certificate;
5) certificates of State registration of a legal entity, or an individual entrepreneur, under the laws of a corresponding country, translated into Russian, translation duly certified (for a foreign person).

3. The application form shall be established by the authorized federal body.

4. In case the applicant has not provided the documents mentioned in Paragraphs 3 & 4 of Part 2 of this Article, a federal executive body competent in State registration of legal entities or physical persons as individual entrepreneurs shall, upon the interdepartmental request of the authorized federal body prepared on the basis of a reference of the Management Company, provide the information confirming a fact of entry of details of the applicant into the Unified State Register of legal entities, or Unified State Register of individual entrepreneurs, and a federal executive body competent in control and supervision over observance of tax and fees legislation shall provide the information confirming a fact of registration of the applicant in the tax authority. The Applicant may submit the documents containing such information on its own accord.

5. The Management Company shall examine the application and the documents submitted together with it, as well as assess the business plan, within fifteen business days since delivery. The business plan shall be assessed according to the criteria established by the Supervisory Council of Vladivostok Freeport.

6. The Management Company shall, by results of examination of the application and the business plan, decide on either execution of an implementation agreement, or refusal to execute this agreement.

7. The resolution on refusal to execute the implementation agreement may be made in one of the following cases:

1) the documents provided by Part 1 and Clauses 1, 2 & 5 of this Article are not submitted, or the application does not comply with the requirements established by Part 1 of this Article;

2) the type of business stipulated in the application and planned to be carried out by the applicant is a type of business prohibited for the residents of Vladivostok Freeport by resolution of the Supervisory Council of Vladivostok Freeport made according to Part 2, Article 6 of this Federal Law;

3) the applicant is an individual entrepreneur, or a commercial organization registered beyond the territory of Vladivostok Freeport;

4) the applicant does not comply with the selection criteria of residents of Vladivostok Freeport established under Part 4, Article 6 of this Federal Law;

5) the business plan does not comply with the requirements established by the authorized federal body, or with the criteria established by the Supervisory Council of Vladivostok Freeport;

6) the commencement of insolvency (bankruptcy) proceedings against the legal entity, and/or reorganization or winding up of a legal entity under the legislation of the Russian Federation;

7) the individual entrepreneur or the legal entity has the arrears in respect of taxes and levies, insurance fees to State extra-budgetary funds of the Russian Federation, debts in respect of mandatory payments to the budgets of the budgetary system of the Russian Federation (except for the amounts for which a delay, a time extension, or an investments tax credit is granted under the tax and levies legislation of the Russian Federation, the debts restructured under the legislation of the Russian Federation, the debts deemed to be fully paid according to the final judgment or

deemed non-recoverable under the tax and levies legislation of the Russian Federation) for the past calendar year, in the amount exceeding twenty-five per cent of the book value of the applicant's assets, according to the accounting (financial) reports for the last reporting period.

8. The Management Company shall provide reasonable grounds of the refusal to execute the implementation agreement, in the resolution on such refusal. The Management Company shall notify the applicant and the authorized federal body about such a resolution within ten business days since the date when this resolution has been made. The resolution made by the Management Company on refusal to execute an implementation agreement may be appealed to the authorized federal body in order and in terms established by the authorized federal body, or to court.

9. In case the resolution on feasibility of execution of an implementation agreement has been made, the Management Company shall notify the applicant and the authorized federal body on such a resolution within ten business days since the date this resolution has been made. The Management Company shall, within exceeding thirty calendar days since the date of making the resolution on feasibility of execution of the implementation agreement, executed and send to an applicant a draft implementation agreement. The Management Company shall submit to the authorized federal body a copy of the implementation agreement within two business days since such an agreement has been executed.

10. The authorized federal body shall make an entry about registration of persons mentioned in Part 1 of this Article as residents of Vladivostok Freeport, into the register of residents of Vladivostok Freeport, within five business days since the implementation agreement has been executed.

11. The implementation agreement shall be executed for the term provided in the application and may provide an option of prolongation of such a term. The term of the implementation agreement should not exceed the term for which Vladivostok Freeport is founded.

12. The individual entrepreneur or the legal entity shall be deemed to be the residents of Vladivostok Freeport since the date the entry into the register of residents of Vladivostok Freeport has been made.

13. The authorized federal body shall issue to the resident of Vladivostok Freeport a certificate confirming its registration as a resident of Vladivostok Freeport. The certificate form shall be approved by the authorized federal body.

14. The authorized federal body shall submit the information regarding the registration of the individual entrepreneur or the legal entity as a resident of Vladivostok Freeport to the tax authority at the place of residence of the individual entrepreneur, or at the location of the legal entity, and also, to the authorities controlling payment of insurance premiums, within three business days since the registration date.

15. In case the application provides for the application of the duty-free customs treatment, the authorized federal body shall submit a soft copy of the information regarding the registration of an individual entrepreneur or a legal entity as a resident of Vladivostok Freeport to the customs authority, as of the day the entry in the register of residents of Vladivostok Freeport has been made.

16. The authorized federal body shall submit a copy of the implementation agreement to the authorities mentioned in Part 14 & 15 of this Article, and a copy of the additional agreement to the implementation agreement in case the agreement has been prolonged.

17. In case of termination of the Vladivostok Freeport residency status, the authorized federal body shall make in the register of residents of Vladivostok Freeport an entry regarding the termination of a Vladivostok Freeport residency status, within five business since the day of

expiry of the implementation agreement, or the day the termination agreement has been signed by the parties, or the effective date of the court judgment on the termination of the implementation agreement, and shall notify the authorities mentioned in Parts 14 & 15 of this Article as of the day the corresponding resolution has been made.

Article 12. Subject and conditions of the implementation agreement

1. The implementation agreement shall be executed by and between the Management Company and an individual entrepreneur or a legal entity in relation of which a resolution on feasibility of execution of such an agreement has been made under Article 11 of this Federal Law.

2. The resident of Vladivostok Freeport shall undertake to carry out the operations provided by the implementation agreement within the term of the implementation agreement, and make the investments, including capital investments, in volumes and terms provided by the implementation agreement.

3. The resident of Vladivostok Freeport may carry out the activities not provided by the implementation agreement according to the legislation of the Russian Federation and without measures of State support applicable under this Federal Law.

4. The implementation agreement may, if necessary, contain other rights and obligations of the parties.

5. The resident of Vladivostok Freeport shall not delegate its rights and obligations under the implementation agreement, to the third persons.

6. The resident of Vladivostok Freeport shall assist the Management Company in exercising of control of compliance with terms and conditions of the implementation agreement, including ensuring of unimpeded access of the Management Company officers to the infrastructure facilities of Vladivostok Freeport belonging to this resident and situated on the territory of Vladivostok Freeport, and also, submit to the Management Company written information necessary for exercising control.

Article 13. Amending and terminating the implementation agreement

1. The implementation agreement may be amended: the corresponding amendments shall be introduced by way of an additional agreement to the implementation agreement. An additional agreement shall be executed in the same form and according to the same requirements as provided by this Federal Law for the implementation agreement.

2. The implementation agreement may be terminated upon mutual consent of the parties or judicially. The implementation agreement may be terminated judicially upon request of either party in case of fundamental breach of such an agreement by another party, or on other grounds provided by this Federal Law.

3. The following shall constitute a fundamental breach of the implementation agreement by the resident of Vladivostok Freeport:

1) the resident of Vladivostok Freeport does not carry out the business provided by the implementation agreement within twenty-four months since the date the implementation agreement has been signed;

2) the resident of Vladivostok Freeport does not make any investments, including capital investments, in volumes and terms provided by the implementation agreement.

4. The implementation agreement may stipulate other activities of the resident of

Vladivostok Freeport and/or the Management Company which shall be deemed to constitute a fundamental breach of the implementation agreement.

5. In case of termination of the implementation agreement, the expenses incurred by the resident of Vladivostok Freeport in relation of its implementation shall not be reimbursed except in case the implementation agreement is terminated due to the failure to fulfill its conditions by the Management Company. The resident of Vladivostok Freeport failing to fulfill its obligations under the implementation agreement shall be liable as provided by the legislation of the Russian Federation and the implementation agreement.

Article 14. Consequences of termination of the implementation agreement

1. The person shall lose a Vladivostok Freeport resident status in case of termination of the implementation agreement.

2. The person having lost the Vladivostok Freeport resident status may carry out the business activities at Vladivostok Freeport unless otherwise provided by this Federal Law or the implementation agreement.

3. The person having lost the Vladivostok Freeport resident status may dispose of personal and real estate in his/her possession situated at Vladivostok Freeport at his/her own discretion, in compliance with the civil laws of the Russian Federation, except the cases provided by Part 4 of this Article.

4. In case the person loses the Vladivostok Freeport resident status, disposing of the goods placed under duty-free customs treatment, and the goods manufactured (derived) with use of the goods of foreign origin placed under duty-free customs treatment, shall be done according to the laws of the Eurasian Economic Union.

Chapter 4. MEASURES OF STATE SUPPORT FOR BUSINESS AT VLADIVOSTOK FREEPORT

Article 15. Particularities of State control (supervision) and municipal control exercised at Vladivostok Freeport

1. Federal State control (supervision), regional State control (supervision) and municipal control at Vladivostok Freeport in relation to the residents of Vladivostok Freeport shall be exercised by the corresponding authorized federal executive bodies, executive bodies of a subject of the Russian Federation and local authorities (the “State control (supervision) and municipal control bodies” in further) according to the legislation of the Russian Federation.

2. Provisions of Federal Law of December 26, 2008 N 294-FL “On Protection of Rights of Legal Entities and Individual Entrepreneurs during State Control (Supervision) and Municipal Control” shall apply to relations involving exercising State control (supervision) at Vladivostok Freeport, arrangement and conduct of audits of the Vladivostok Freeport residents, with regards to the particularities of such audits established by this Article.

3. Scheduled audits related to specific types of State control (supervision) and municipal control shall be conducted jointly by State control (supervision) bodies and municipal control bodies. The procedure of joint scheduled audits as well as the types of State control (supervision) and municipal control exempt from this procedure shall be established by the Russian Federation Government. Annual plans of scheduled audits shall be agreed with the authorized federal body.

4. The term of a scheduled audit shall not exceed fifteen business days as from the date of its

beginning. The total term of scheduled audits in relation with the Vladivostok Freeport resident being a small business owner shall not exceed forty hours (for a small enterprise) and ten hours (for a micro-enterprise) per year. In exceptional cases related to the need to conduct complicated and/or long-term special investigations and expert evaluations, the audit term may be prolonged on the basis of reasoned proposals of State control (supervision) and municipal control officers, but no more than for ten business days for small enterprises, and for ten hours for micro-enterprises.

5. Should any violations of the Russian Federation laws by a Vladivostok Freeport resident be discovered in the course of a scheduled audit, the officers of State control (supervision) and municipal control bodies shall issue an improvement notice to the Vladivostok Freeport resident. A copy of the improvement notice shall be handed against receipt or otherwise delivered to the Vladivostok Freeport resident, or its proxy, in a way giving evidence of the date of reception of this notice by the Vladivostok Freeport resident, or its proxy, no later than within three days as of the date of execution of a scheduled audit act. Should there be no possibility to deliver an improvement notice to the Vladivostok Freeport resident, or its proxy, in a way mentioned above, this notice shall be sent by registered mail, and shall be deemed to be received upon expiry of six days since being sent.

6. State control (supervision) and municipal control bodies may conduct unscheduled audit of the Vladivostok Freeport resident upon expiry of two months as from the date of delivery of the improvement notice. In case more than two months are necessary for the elimination of violations discovered, an unscheduled audit shall be conducted in terms established by the improvement notice but no later than within six months as from the date of issuance of the improvement notice.

7. Should the Vladivostok Freeport resident fail to comply with the improvement notice prior to the unscheduled audit, the implementation agreement and the Vladivostok Freeport residence status may be terminated judicially on the basis of application of the authorized federal body.

8. The procedure of approval of unscheduled audits and grounds for them provided by the State control (supervision) and municipal control bodies shall be established by the authorized federal body. The term of the unscheduled audit shall not exceed five business days. These provisions do not apply in case of unscheduled audits conducted for the purpose of Federal State control of state secret protection.

9. The Vladivostok Freeport resident shall, in the course of audits conducted by State control (supervision) and municipal control bodies, be entitled to:

- 1) be present during the audit, explain the issues related to the audit;
- 2) obtain information to be provided according to the legal enactments of the Russian Federation;
- 3) familiarize with the audit results and indicate its familiarization with such results, agreement or disagreement with them, or with certain actions of the officers of State control (supervision) and municipal control bodies, in the audit acts;
- 4) appeal the actions (omissions) of the officers of State control (supervision) and municipal control bodies, administratively or judicially, as provided by the Russian Federation laws.

Article 16. Particularities of entry of foreign citizens to Vladivostok Freeport

Particularities of entry of foreign citizens to the Russian Federation through the border

inspection posts situated in the territory of Vladivostok Freeport (hereinafter referred to as the “border inspection posts of Vladivostok Freeport”) shall be established by Federal Law of August 15, 1996 N 114-FL "On the Procedure for Exit from the Russian Federation and Entry into the Russian Federation".

Article 17. Particularities of medical care exercised at Vladivostok Freeport

1. Medical care shall be exercised at Vladivostok Freeport by healthcare organizations according to the Federal Law of November 21, 2011 N 323-FL "On Fundamental Healthcare Principles in the Russian Federation" unless otherwise provided by this Article.

2. The Russian Federation Government may approve particularities of admission of persons educated in the foreign countries to exercising medical care at Vladivostok Freeport, licensing of health care exercised by a Vladivostok Freeport resident, as well as application of the procedure of medical care delivered to the foreign citizens at Vladivostok Freeport.

Article 18. Particularities of educational operations at Vladivostok Freeport

The Russian Federation Government may, in order to create conditions for applying the best foreign educational methods and standards, and training of employees of Vladivostok Freeport residents, establish particularities of licensing of educational activities of vocational training and additional vocational training organizations acting on the territory of Vladivostok Freeport, established on this territory, or being the residents of Vladivostok Freeport.

Article 19. Exemption of residents of Vladivostok Freeport from the federal taxes

The residents of Vladivostok Freeport are exempt from federal taxes under the Russian Federation laws on taxes and levies.

Article 20. Rates of insurance premiums to be paid into the State non-budgetary funds

Deferred rates of insurance premiums shall be established for payers of insurance premiums into the State non-budgetary funds having a Vladivostok Freeport residence status, according to the Russian Federation Laws on insurance premiums.

Article 21. Particularities of legal regulation of relations in the field of aquaculture (fish breeding), fishery and preservation of aquatic biological resources

The Russian Federation Government may, for the purpose of exercising aquaculture (fish breeding) as well as commercial and other fishery on the territory of Vladivostok Freeport, establish particularities of legal regulation of relations in the field of aquaculture (fish breeding), fishery and preservation of aquatic biological resources on the territory of Vladivostok Freeport.

Article 22. Particularities of access control of humans, vehicles, freights, goods and animals exercised at the checkpoints of Vladivostok Freeport

1. Access control of humans, vehicles, freights, goods and animals in the checkpoints of

Vladivostok Freeport shall be exercised by the border and customs authorities (hereinafter referred to as the “State control authorities”) within their powers as established by the Russian Federation laws.

2. The customs authorities shall exercise quarantine, veterinary, phyto-sanitary control (inspection) of goods and vehicles at the checkpoints of Vladivostok Freeport following the procedure established by the Russian Federation Government, according to the veterinary laws of the Russian Federation, the laws of the Russian Federation concerning plant quarantine, the laws of the Russian Federation concerning sanitary and epidemiologic welfare of population, and the laws of the Russian Federation concerning food quality and safety.

3. Working hours of the State control authorities at the checkpoints of Vladivostok Freeport shall be established with regards to the possibility of round-the-clock and continuous access of humans, vehicles, freights, goods and animals across the State Border of the Russian Federation.

4. The “one-stop-shop” mechanism shall be implemented in exercising customs and other types of control at the checkpoints of Vladivostok Freeport , by means of submission of all the documents and information necessary for customs, transport, quarantine, veterinary and phyto-sanitary control (inspection) to the customs authority by the carrier (including the customs carrier importing the goods from the country not being a member state of the Eurasian Economic Union, to Vladivostok Freeport), or a person acting on its behalf, or another person interested and entitled to dispose of the freights/goods.

5. The documents necessary for customs, transport, quarantine, veterinary and phyto-sanitary control (inspection), except ID documents, shall be submitted in a soft copy signed with an encrypted digital signature.

6. The carrier shall submit the preliminary information to the customs authority at least two hours before the goods arrive to the customs territory of the Eurasian Economic Union (depending on the mode of transport used) by means of the IT systems. In case the goods are shipped by water, this preliminary information may be submitted by the carrier, or the person acting on its behalf, and/or another person interested and entitled to dispose of the freights/goods.

7. For the purpose of this Article, advance notification shall mean submission to the customs authority of preliminary information concerning the goods and vehicles before they cross the customs border of the Eurasian Economic Union, as necessary for customs, transport, quarantine, veterinary and phyto-sanitary control (inspection), including by means of the “one-stop-shop” mechanism.

8. The preliminary information concerning the goods to be placed under the customs transit treatment shall include the information provided in the transit declaration to be submitted to the customs authority of a state where the goods are imported into the customs territory of the Eurasian Economic Union.

9. The preliminary information concerning the goods not to be placed under the customs transit treatment when arrived, shall include the information provided in the transit declaration except the cases when such goods are to be imported into the territories of Vladivostok Freeport mentioned in Parts 3 & 4, Article 23 of this Federal Law.

10. The preliminary information concerning the goods to be placed under the duty-free customs treatment applicable within the territories of Vladivostok Freeport mentioned in Parts 3 & 4, Article 23 of this Federal Law, shall include the information provided by the admittance issued according to Part 5, Article 25 of this Federal Law.

11. The preliminary information shall, notwithstanding of the customs treatment applicable to the goods imported, contain the information concerning the products (goods) subject to

sanitary and epidemiologic control, the goods subject to veterinary and quarantine phyto-sanitary control (inspection) as well as the vehicles (for the goods carried by road).

12. Should the preliminary information concerning any lot not be submitted to the customs authority in volumes and terms established by this Federal Law, this lot shall belong to a risk area. The authorized federal executive bodies shall undertake to minimize such risks according to the Russian Federation laws.

13. In case the customs authority cannot receive the preliminary information submitted in a soft copy or via the IT system supporting the use of the “one-stop-shop” mechanism, due to a technical problem, State control (inspection) of the goods shall be exercised in the order established by the laws of the Eurasian Economic Union and the Russian Federation laws.

14. The information constituting the preliminary information for the purpose of this Federal Law shall be determined by the Russian Federation Government in terms of the customs treatments declared, and the necessary to exercise the customs, transport, quarantine, veterinary and phyto-sanitary control (inspection), upon the recommendations of federal executive bodies competent in the corresponding field of legal regulations.

15. Sharing of data (documents and details, including preliminary information) between the State control bodies and a carrier, or a person acting on its behalf, and/or another person interested and entitled to dispose of the freights/goods, at the checkpoints of Vladivostok Freeport, shall be done by means of information exchange via electronic data and telecommunication equipment.

16. The Russian Federation Government may determine the terms of State access control of vehicles, freights, goods and animals in the checkpoints of Vladivostok Freeport, if the “one-stop-shop” mechanism with advance notification is implemented on the territory of Vladivostok Freeport, as well as State control waiting periods.

17. The control system based upon the information analysis and identification of the risks of violation of the Russian Federation laws, including with regards to the preliminary information submitted, shall be applicable in the State control.

18. The strategy and tactics of application of the risk management system, the procedure for collection and processing of information, risk analysis and assessment, development and implementation of risk management measures in the field of veterinary, sanitary and epidemiologic supervision and plant quarantine, shall be established by the federal executive bodies competent in the corresponding field of legal regulations.

19. The state control of vessels and freights, goods and animals carried by such vessels and intended to be placed and/or used within the areas of Vladivostok Freeport mentioned in Parts 3 & 4, Article 23 of this Federal Law, where the duty-free customs treatment is applicable, shall be exercised on the berth or in the harbor of sea ports of Vladivostok Freeport.

20. Upon the State control passed, the customs authorities shall inform the carrier, or the person acting on their behalf, and/or another person interested and entitled to dispose of the freights/goods, of the resolution made with regards to the vehicles, freights, goods and animals imported across the State Border of the Russian Federation, via the IT system ensuring the use of the “one-stop-shop” mechanism.

21. The actions of the officers of the State control authorities related to the violation of the terms of the State control established under this Federal Law which have caused unreasonable delay in State control, shall be examined by the Supervisory Council of Vladivostok Freeport.

Article 23. Application of the duty-free customs treatment at Vladivostok Freeport

1. The duty-free customs treatment established by the Agreement on Free (special) Economic Zones within the customs territory of the Customs Union and duty-free customs treatment from June 18, 2010 (the “Free Economic Zone Agreement” in further) shall be applicable at Vladivostok Freeport, with regards to the provisions of this Article. For the purpose of the duty-free customs treatment, a territory of Vladivostok shall be considered equivalent to a special economic zone.

2. The duty-free customs treatment established by the Free Economic Zone Agreement shall apply within the territories of sea ports open for international traffic, within the territory of the airport open for arrival and departure of aircraft exercising international air traffic, situated within the territory of Vladivostok Freeport and within the territories adjacent to such sea ports or airport.

3. The duty-free customs treatment established for a port special economic zone according to the Free Economic Zone Agreement may apply within the separate area(s) of sea ports open for international traffic and arrival of foreign sea vessels, including the water area of the sea port, and/or within the separate area(s) of the airport open for arrival and departure of aircraft exercising international air traffic, situated within the territory of Vladivostok Freeport (hereinafter referred to as the “port area”). The resolution on the application of the duty-free customs treatment established for the port special economic zone shall be made by the Supervisory Council of Vladivostok Freeport.

4. The duty-free customs treatment established for a logistics special economic zone according to the Free Economic Zone Agreement may apply within the land plot adjacent to a road or railway checkpoint of Vladivostok Freeport (hereinafter referred to as the “logistics area”). The resolution on the application of the duty-free customs treatment established for a logistics special economic zone shall be made by the Supervisory Council of Vladivostok Freeport.

5. The resolutions mentioned in Parts 3 & 4 of this Article shall determine:

1) the location and limits of the areas where the duty-free customs treatment established for a port special economic zone, or for a logistics special zone, shall be applicable;

2) the stages and terms of formation of the infrastructure of the areas where the duty-free customs treatment established for a port special economic zone, or for a logistics special zone, shall be applicable, and financing of the works related to construction of such infrastructure, according to Article 5 of this Federal Law.

6. The duty-free customs treatment may be applicable within the areas of Vladivostok Freeport (except the port and logistics areas determined under Parts 3 & 4 of this Article) possessed (including rent) by the resident(s) of Vladivostok Freeport (hereinafter referred to as the “area of the Vladivostok Freeport resident”), where a customs control zone is established.

7. The resolution on the establishment of a customs control zone within the area of the Vladivostok Freeport resident for the purpose of the application of the duty-free customs treatment, shall be made by the customs authority on the basis of the application submitted by the Vladivostok Freeport resident written in any form, in order established by Parts 13 & 14 of Article 163 of Federal Law of November 27, 2010 N 311-FL "Concerning Customs Regulation in the Russian Federation", provided that the area of the Vladivostok Freeport resident is duly equipped for the purpose of customs control.

8. The resolution mentioned in Part 7 of this Article shall be made with regards to the Vladivostok Freeport resident having provided a possibility of application of the duty-free

customs treatment in its certificate of registration as a Vladivostok Freeport resident.

9. The goods determined according to the Free Economic Zones Agreement shall not be subject to the duty-free customs treatment. The Russian Federation Government is entitled to determine the list of goods which cannot be subject to the duty-free customs treatment.

10. The goods subject to the duty-free customs treatment shall be declared in the order established by the laws of the Eurasian Economic Union, or by the Russian Federation laws concerning the customs affairs, except for the goods mentioned in Part 11 of this Article.

11. Foreign goods imported to the port and logistics areas from the countries not belonging to the Eurasian Economic Union, not intended for construction, reconstruction of the infrastructure facilities of the sea port or airport situated within the port or logistic areas, shall be subject to the duty-free customs treatment without being declared, except the cases stipulated in Part 12 of this Article. Only the customs operations related to arrival of these goods to the customs territory of the Eurasian Economic Union shall be exercised with regard to such goods.

12. Foreign goods imported to the port and logistic areas from the countries not belonging to the Eurasian Economic Union and subject to the duty-free customs treatment, shall be subject to declaration if intended for:

- 1) the use in construction of real estate within the areas of Vladivostok Freeport residents;
- 2) processing operations, in the course of which the goods shall lose their individual characteristics, and/or manufacturing of other goods (including assembly, disassembling, mounting, fitting) and repair of the goods imported;
- 3) construction or reconstruction of the infrastructure facilities of the sea port or airport situated within the port or logistics areas.

13. Only a Vladivostok Freeport resident may declare the goods subject to the duty-free customs treatment at the area of the Vladivostok Freeport resident.

14. A Vladivostok Freeport resident, or another person mentioned in Sub-clause 1 or Paragraph 5 of Sub-clause 2, Article 186 of the Customs Code of the Customs Union, may declare the goods subject to the duty-free customs treatment applicable within the port or logistics areas.

15. The goods shall be placed under the duty-free customs treatment by the Vladivostok Freeport residents for the purpose of execution of their activities under the implementation agreement.

16. The goods may not be subject to the duty-free customs treatment by a Vladivostok Freeport resident in the following cases:

- 1) insolvency (bankruptcy) proceedings are initiated against a Vladivostok Freeport resident;
- 2) the notice on initiating a reorganization procedure with respect to the legal entity (except for reconstruction of a legal entity), or the resolution made on winding-up of the legal entity, is submitted to the authorized state registrar of legal entities or individual entrepreneurs;
- 3) the resolution on suspension of a legal entity is made by court or authorized state body;
- 4) a permit to exercise a specific activity is suspended under the Russian Federation laws, in case the Vladivostok Freeport resident exercises only this activity.

17. In order to confirm compliance with the terms of placement of goods under the duty-free customs treatment, the Vladivostok Freeport resident shall submit a certificate of registration as a Vladivostok Freeport resident, or a copy of such certificate signed by the filer, to the customs authority.

18. In case the goods are placed under the duty-free customs treatment for the purpose of being stored within the port or logistics areas, by a person other than the resident of Vladivostok

Freeport, this person shall, in order to confirm compliance with the terms of placement of the goods under the duty-free customs treatment, submit to the customs authority the agreement concerning warehousing (storage), loading (unloading) of goods or execution of other operations as provided by the Free Economic Zones Agreement, executed by and between the owner of these goods and a Vladivostok Freeport resident.

19. The customs authority may, if desired by the person declaring the goods, apply the procedure of identification of the foreign goods placed under the duty-free customs treatment and intended for processing (treatment) by results of which they lose their individual characteristics, and/or for manufacturing of other goods (including assembly, disassembling, mounting, fitting) and repair, in the goods manufactured (derived) with use of such foreign goods placed under a duty-free customs treatment.

20. The identification methods established by the Free Economic Zones Agreement may be used for the purpose of identification of the foreign goods placed under the duty-free customs treatment in the goods manufactured (derived) with use of such foreign goods placed under a duty-free customs treatment.

21. The applicability of the declared method of identification of the foreign goods placed under the duty-free customs treatment in the goods manufactured (derived) with use of such foreign goods placed under the duty-free customs treatment, shall be established by the customs authority with regard to the specific features of the goods and operations with them provided in Part 19 of this Article. In case the customs authority thinks the method of identification of the foreign goods placed under the duty-free customs treatment in the goods manufactured (derived) with use of such foreign goods placed under a duty-free customs treatment, proposed by the person declaring the goods, to be improper, the customs authority may determine the identification method at its own discretion.

22. The procedure of identification of foreign goods placed under the duty-free customs treatment in the goods manufactured (derived) with use of such foreign goods placed under the duty-free customs treatment, shall be determined by the federal executive body competent in the customs affairs.

23. The goods placed under the duty-free customs treatment, the goods manufactured (derived) with use of the goods placed under the duty-free customs treatment, and the goods manufactured (derived) with use of the foreign goods placed under a duty-free customs treatment and the goods of the Eurasian Economic Union, may be placed and used only within the areas of Vladivostok Freeport where a duty-free customs treatment is applicable, except the cases determined by the Free Economic Zones Agreement.

24. Closing of the duty-free customs treatment shall be done according to the Free Economic Zones Agreement.

25. Only a resident of Vladivostok Freeport having placed the goods under the duty-free customs treatment may act as a declarant at the closing procedure of the duty-free customs treatment applicable within the area of a Vladivostok Freeport resident, in relation with the goods placed under the duty-free customs treatment, the goods manufactured (derived) with use of the goods placed under the duty-free customs treatment, except the cases provided in Parts 26 & 27 of this Article.

26. In case a person loses a Vladivostok Freeport residence status, this person having lost the residence status of Vladivostok Freeport shall act as a declarant at the closing procedure of the duty-free customs treatment, in order provided by the Free Economic Zones Agreement.

27. In case the rights of ownership, use and/or disposing of the goods placed under the duty-

free customs treatment are transferred to another resident of Vladivostok Freeport, this resident of Vladivostok Freeport, a legal successor in the rights of ownership, use and/or disposing of the goods placed under the duty-free customs treatment, shall act as a declarant at the closing procedure of the duty-free customs treatment, in order provided by the Free Economic Zones Agreement.

28. The resident of Vladivostok Freeport having placed the goods under the duty-free customs treatment, or another person mentioned in Sub-clause 1 or Paragraph 5 of Sub-clause 2, Article 186 of the Customs Code of the Customs Union, may act as a declarant at the closing procedure of the duty-free customs treatment applicable within the port or logistics areas in relation with the goods which remain intact except for the changes due to normal wear or natural loss under normal shipment (transportation), storage and use conditions, except in cases provided by Parts 26 & 27 of this Article.

29. Only a resident of Vladivostok Freeport having placed the goods under the duty-free customs treatment may act as a declarant at the closing procedure of the duty-free customs treatment applicable within the port and logistic areas, in relation with the goods manufactured (derived) with use of the goods placed under a duty-free customs treatment, except the cases provided in Part 26 of this Article.

30. In case the duty-free customs treatment ends with placement of the goods manufactured (derived) of the goods originating from the Eurasian Economic Union only, including with use of the goods originating from the Eurasian Economic Union not placed under a duty-free customs treatment, under the re-importation customs treatment, the amount of the value-added tax and the excise related to the goods originating from the Eurasian Economic Union, in relation with which the above-mentioned taxes were refunded at the moment of placing of them under the duty-free customs treatment, shall be returned to the federal budget, according to the Russian Federation laws concerning taxes and levies.

31. The amounts of the value-added tax and the excise mentioned in Part 30 of this Article shall be accrued in terms of the rates actual as of the date of registration of the customs declaration related to placing of the goods originating from the Eurasian Economic Union under the duty-free customs treatment, and the customs value of the goods and/or their physical characteristics in volume terms (quantity, weight, volume and other characteristics) determined as of the day the goods originating from the Eurasian Economic Union were placed under the duty-free customs treatment.

32. Upon the termination of Vladivostok Freeport, the equipment placed under the duty-free customs treatment, put into operation and operated by a Vladivostok Freeport resident for the purpose of realization of the implementation agreement, and the goods placed under the duty-free customs treatment and used for construction of real property within the territory of Vladivostok Freeport, shall be deemed to be the goods originating from the Eurasian Economic Union not being under the customs control, not subject to any taxes or fees, interdictions or limitations, and not subject to placement under a customs treatment of release for domestic use.

33. In case the resident of Vladivostok Freeport loses a residence status due to expiry of the implementation agreement and fulfillment of the conditions of this implementation agreement, the equipment placed under the duty-free customs treatment, put into operation and operated by a Vladivostok Freeport resident for the purpose of fulfilling the implementation agreement, and the goods placed under the duty-free customs treatment and used for construction of real property within the territory of Vladivostok Freeport, shall be deemed to be the goods originating from the Eurasian Economic Union not being under the customs control, not subject to any taxes or fees,

interdictions or limitations, and not subject to placement under a customs treatment of release for domestic use.

34. A resident of Vladivostok Freeport shall, for the purpose of acknowledging of the goods mentioned in Parts 32 & 33 of this Article, as the goods originating from the Eurasian Economic Union, prior to expiry of the term established by the Free Economic Zones Agreement, submit to the customs authority the written application in any form and the documents containing the following information:

- 1) concerning the Vladivostok Freeport resident;
- 2) concerning the fulfillment of the implementation agreement by the Vladivostok Freeport resident;
- 3) concerning placement of the goods under the duty-free customs treatment;
- 4) concerning putting the equipment into operation (if the application is submitted in relation with the equipment);
- 5) concerning the entry on the title of the resident of Vladivostok Freeport to the real property, made in the Unified State Register of Real Property Titles and Related Transactions, in case the application is submitted in relation with the goods used for construction of real estate on the territory of Vladivostok Freeport.

35. The application and the documents mentioned in Part 34 of this Article shall be examined by the customs authority within thirty-five business days since being submitted, with a possibility to prolong this term up to forty-five business days. The customs authority shall notify the applicant of the resolution made by results of examination.

36. The documents confirming the information on the Vladivostok Freeport resident shall include:

- 1) statutory documents;
- 2) the document certifying the entry made in the Unified State Register of legal entities concerning a Vladivostok Freeport resident being a legal entity, or an entry made in the Unified State Register of individual entrepreneurs concerning a Vladivostok Freeport resident being a physical person. In case the Vladivostok Freeport resident fails to provide the above-mentioned document, a federal executive body competent in State registration of legal entities or physical persons as individual entrepreneurs shall, upon the interdepartmental request of the customs authority, provide the information confirming the fact of entry of details of the legal entity, or individual entrepreneur, into the Unified State Register of legal entities, or Unified State Register of individual entrepreneurs, accordingly;
- 3) a tax authority registration certificate. In case the Vladivostok Freeport resident fails to provide the above-mentioned document, the federal executive body competent in control and supervision over observance of tax and fees legislation shall, upon the interdepartmental request of the customs authority, provide the information confirming the fact of registration of the legal entity, or individual entrepreneur, with the tax authority;
- 4) certificate of registration as a resident of Vladivostok Freeport. In case the Vladivostok Freeport resident fails to provide the above-mentioned document, the authorized federal body shall, upon the interdepartmental request of the customs authority, provide the information confirming the fact of registration of the legal entity, or individual entrepreneur, as a resident of Vladivostok Freeport.

37. A written certificate issued in the form and order established by the authorized federal body shall be the document confirming the fulfillment of the implementation agreement by the resident of Vladivostok Freeport.

38. Decayed goods placed under the duty-free customs treatment, and/or the goods manufactured (derived) with use of the goods placed under the duty-free customs treatment as well as imported together with the goods to the territory of Vladivostok Freeport where the duty-free customs treatment is applicable, package and packaging materials having fully or partially lost their original purpose and usability, may, by permission of the customs authority, be destroyed within the territory of Vladivostok Freeport, or removed from the territory of Vladivostok Freeport for destruction without being placed under the customs destruction treatment, in order established by the federal executive body competent in the customs affairs, under condition of destruction by method not involving generation of recoverable resources which can be reused in manufacturing of new goods (products), execution of works, rendering services or power generation.

39. Decayed goods placed under the duty-free customs treatment, and/or the goods manufactured (derived) with use of the goods placed under the duty-free customs treatment as well as imported together with the goods to the territory of Vladivostok Freeport where the duty-free customs treatment is applicable, package and packaging materials having fully or partially lost their original purpose and usability, may, by permission of the customs authority, be destroyed within the territory of Vladivostok Freeport, or removed from the territory of Vladivostok Freeport for destruction without being placed under the customs destruction treatment, in order established by the federal executive body competent in the customs affairs, even in case such destruction will generate any recoverable resources, in case when such goods and/or the goods being the recoverable resources are included into the list determined by the Russian Federation Government.

Article 24. Handling of goods placed under the duty-free customs treatment at Vladivostok Freeport

1. All operations with goods placed under duty-free customs treatment shall be determined according to the Free Economic Zone Agreement.

2. Sampling, according to Article 155 of the Customs Code of the Customs Union, and submission of samples for testing, may be done with the permission of the customs authority in relation with the:

- 1) goods placed under the duty-free customs treatment;
- 2) goods manufactured (derived) with use of goods placed under the duty-free customs treatment;
- 3) goods manufactured (derived) with use of goods placed under the duty-free customs treatment and goods from the Eurasian Economic Zone not placed under the duty-free customs treatment.

3. The permit for sampling operations in relation with the goods mentioned in Part 2 of this Article, and submission of such samples for testing, shall be issued by the customs authority on the basis of the application in any format submitted by an interested Vladivostok Freeport resident or another person owning the goods placed within the port areas and logistic areas. This permit shall be issued in writing on the day of application as a separate document, or by means of a corresponding mark made by an authorized customs officer upon the application of an interested person. Such a permit may be issued only in case the terms stipulated in Clause 2, Article 155 of the Customs Code of the Customs Union are complied with.

4. In case a resident of Vladivostok Freeport transfers the rights of ownership, use and/or

disposing of the goods placed under the duty-free customs treatment, to another resident of Vladivostok Freeport, such goods may be moved from an area of Vladivostok Freeport where the duty-free customs treatment is applicable to another area of Vladivostok Freeport where the duty-free customs treatment is also applicable, according to the customs transit procedure.

5. Particularities of the customs transit procedure applicable to the goods mentioned in Part 4 of this Article shall be established by the federal executive body competent in the customs affairs.

Article 25. Customs control at Vladivostok Freeport

1. Customs control at Vladivostok Freeport shall be exercised by the customs authorities according to the laws of the Eurasian Economic Union and/or legislation of the Russian Federation in the field of customs affairs, with regards to the particularities established by this Federal Law.

2. The territory of Vladivostok Freeport where the duty-free customs treatment is applied shall be accommodated and equipped for the customs control operations. The federal executive body competent in the customs affairs shall establish the requirements to accommodation and equipment of a territory of Vladivostok Freeport where the duty-free customs treatment is applied, in order to ensure efficiency of the customs control.

3. The access control arrangements at the port areas and logistics areas, including determination of the access order to such areas, shall be ensured following the order established by the federal executive body competent in the customs affairs, as approved by the authorized federal body.

4. The entry of goods to the area belonging to the resident of Vladivostok Freeport where the duty-free customs treatment is applied shall be done upon notification of the customs authority of the entry of such goods. The withdrawal of goods from the area belonging to the resident of Vladivostok Freeport where the duty-free customs treatment is applied shall be done by virtue of a permit issued by the customs authority.

5. The goods shall enter the port and logistics areas, or be withdrawn from such areas, by virtue of a permit issued by the customs authority.

6. The forms of notices and permits mentioned in Parts 4 & 5 of this Article, and the procedure for filling them in, shall be established by the federal executive body competent in customs affairs.

7. The order and technologies of customs operations related to the goods (including vehicles) in process of importation or already imported to the areas of Vladivostok Freeport where the duty-free customs treatment is applied, or the goods to be withdrawn from such areas, shall be established by the federal executive body competent in customs affairs.

8. The customs authorities shall be entitled to identify the goods imported to the areas of Vladivostok Freeport where the duty-free customs treatment is applied, following the procedure established by the laws of the Eurasian Economic Union. The federal executive body competent in customs affairs shall determine the order of the customs operations related to identification of the goods entering/entered to the above-mentioned areas, for the purpose of compliance with the laws of the Eurasian Economic Union, the Russian Federation laws and this Federal Law.

Article 26. Procedure of stock accounting and reporting by a resident of Vladivostok Freeport

1. A resident of Vladivostok Freeport shall undertake to keep records of goods placed under the duty-free customs treatment, and goods manufactured (derived) with use of the goods placed under the duty-free customs treatment (hereinafter referred to as “stock accounting”).

2. A resident of Vladivostok Freeport shall undertake to ensure a possibility to keep records of goods according to this Article on the day the goods are placed under the duty-free customs treatment.

3. Stock accounting shall be held according to the requirements of the Russian Federation laws concerning accounting, providing the registration numbers of customs declarations according to which the foreign goods and goods of the Eurasian Economic Union were placed under the duty-free customs treatment, or according to which the goods manufactured (derived) with use of goods placed under the duty-free customs treatment, were placed under the customs procedures provided for completion of the duty-free customs treatment, in the accounting documents. Accounting of the goods placed under the duty-free customs treatment without being declared according to the laws of the Eurasian Economic Union shall be kept according to the requirements of the Russian Federation laws concerning accounting, with no registration numbers of the customs declarations provided in the accounts.

4. Any economic operations with the goods placed under the duty-free customs treatment, and with the goods manufactured (derived) with use of goods placed under a duty-free customs treatment, shall be shown in the source accounting documents, according to the requirements of the Russian Federation laws concerning accounting.

5. In case the goods of the same identity, in relation to which the operations provided by the Free Economic Zones Agreement shall be performed, are placed under the duty-free customs treatment in several lots, then, stock accounting for the customs purposes shall be kept on the assumption that the goods placed under the duty-free customs treatment earlier should be accounted first of all.

6. In case the goods of the same identity manufactured (derived) with use of goods placed under the duty-free customs treatment are stored or used (consumed) in combinations, the goods manufactured (derived) with use of goods placed under the duty-free customs treatment earlier than the others shall be accounted first upon completion of a duty-free customs treatment.

7. Provisions of Parts 5 & 6 of this Article shall not apply in case the identification method implying comparison of a specific foreign goods item with the goods manufactured (derived) in the territory of Vladivostok Freeport subject to the duty-free customs treatment, with use of this item of foreign origin, is applicable for the purpose of identification of foreign goods placed under the duty-free customs treatment in the goods manufactured (derived) with use of foreign goods placed under the duty-free customs treatment, according to the Free Economic Zones Agreement.

8. A resident of Vladivostok Freeport shall keep records of goods in the electronic form, with use of the accounting IT systems.

9. In case the automated stock-accounting system is used on the territory of Vladivostok Freeport where the duty-free customs treatment is applicable, stock accounting shall be kept according to the provisions of Parts 2 - 8 of this Article, following the order established by the federal executive body competent in customs affairs.

10. A resident of Vladivostok Freeport shall submit the accounts related to the goods placed under the duty-free customs treatment, and to the goods manufactured (derived) with use of goods placed under a duty-free customs treatment, to the customs authority.

11. The forms of accounting of the goods placed under the duty-free customs treatment, and of the goods manufactured (derived) with use of goods placed under the duty-free customs treatment, the order of filling these forms in, the order and terms of submission of these accounting documents to the customs authority, shall be established by the federal executive body competent in customs affairs.

12. The accounts mentioned in Part 10 of this Article shall be submitted to the customs authority in a soft copy signed with an encrypted digital signature.

13. The authorized federal body shall ensure the creation, implementation and maintenance of the automated stock-accounting system as well as the connection to it of the residents of Vladivostok Freeport planning to apply the duty-free customs treatment, and the customs authorities, to this system, in order established by the authorized federal body.

14. The requirements to the automated stock-accounting system, including the requirements to description of the data structure and format, the list of details subject to synchronization, and specification of the interworking interfaces between such automated stock-accounting system and informational systems of the residents of Vladivostok Freeport, and informational systems of the customs authorities, shall be established by the federal executive body competent in customs affairs.

15. In case a resident of Vladivostok Freeport keeps records of the goods by means of the automated stock-accounting system stipulated in Part 13 of this Article, the customs authority competent in customs operations in the territory of Vladivostok Freeport where the duty-free customs treatment is applicable shall keep records of goods and operations with them using the data of the automated stock-accounting system, in order and in forms established by the federal executive body competent in customs affairs.

16. A resident of Vladivostok Freeport shall be liable for incompliance with the procedure of stock accounting and order of submission of the accounts provided by this Article, according to the Russian Federation laws.

Article 27. Importation of goods placed under customs procedures applying to the exported goods beyond these areas into the territories of port and logistics areas

1. The goods placed under the customs procedures applying to the exported goods beyond the port and logistic areas may be brought into the territories of the port and logistics areas for storage, unloading, reloading and other cargo operations necessary for beginning of international shipment of such goods beyond the customs territory of the Eurasian Economic Union.

2. Storage of the goods mentioned in Part 1 of this Article, as well as unloading, reloading and other cargo operations with such goods may be carried out by a Vladivostok Freeport resident only.

3. Importation of the goods mentioned in Part 1 of this Article into the territories of port and logistics areas, exportation of such goods, including to the rest of the customs territory of the Eurasian Economic Union, and storage of such goods within the port and logistics areas, shall be conducted according to this Article in the order established by the federal executive body competent in customs affairs.

4. The goods of the Eurasian Economic Union placed under the customs exportation treatment and imported to the territories of port and logistics areas shall be exempt from the value-added tax, or excise tax, or the amounts of a value-added tax, or excise tax, paid earlier shall be refunded if such exemption or refunding are provided by the Russian Federation laws

concerning taxes and levies in case of actual exportation of the goods from the Russian Federation.

5. In case the goods mentioned in Part 4 of this Article are not actually exported from the territories of port and logistics areas within one hundred eighty days from the date of being brought to the territories of port and logistics areas, the tax amounts shall be paid with interest accrued according to the refinancing rates of the Central Bank of the Russian Federation actual for the period where these goods were placed in the territories of port and logistic areas, in order established by the Customs Laws of the Russian Federation for the purpose of tax and levy administration in relation with the goods imported into the Russian Federation.

6. The exportation of the goods mentioned in Part 4 of this Article from the territories of port and logistics areas into the rest of the customs territory of the Eurasian Economic Union, in case such exportation is not related to the beginning of international shipment of such goods, may be allowed by virtue of a permit issued by the customs authority subject to the taxes paid as provided by the Customs Laws of the Russian Federation for the purpose of tax and levy administration in relation with the goods imported into the Russian Federation.

7. A permit to export the goods shall be issued by the customs authority in cases provided by Part 6 of this Article on the basis of an application executed in any written form by a person having declared such goods according to the export customs treatment, or its legal successor, or an authorized representative, or another person legally owning these goods. This application should be examined by the customs authority in no more than three business days from the delivery to the customs authority.

Chapter 5. MEASURES OF STATE SUPPORT FOR BUSINESS WITH A VIEW TO CREATING POSITIVE ENVIRONMENT FOR ATTRACTING INVESTMENTS TO THE INFRASTRUCTURE FACILITIES OF VLADIVOSTOK FREEPORT

Article 28. Particularities of urban development related to the foundation of Vladivostok Freeport

1. Particularities of legal regulation of urban development provided by this Article shall be established at Vladivostok Freeport, for the purpose of creating a favorable climate for attracting investments into the capital facilities of Vladivostok Freeport.

2. Territorial-planning documentation (draft area plan, area demarcation plan, development plan of a land plot within the area demarcation plan) related to the territory of Vladivostok Freeport shall be prepared and approved by the local authority of the municipal/urban district including the territory to relation of which the territorial-planning documentation is approved.

3. Public hearing of the draft area plan and the area demarcation plan shall be held within the period established by this Article. The resolution on holding public hearing shall be made by the Head of Municipality.

4. Public hearing of the draft area plan and the area demarcation plan shall be held within the period of at least ten days and no more than forty days as from the date of notification of inhabitants of the municipal entity about the time and place of such public hearing.

5. The development plan of a land plot situated within the territory of Vladivostok Freeport shall be executed as a separate document and approved by the local authority of the municipal/urban district where this land plot is situated, within ten days as from the date of the application for the development plan of the land plot submitted by a physical person or a legal entity.

6. A physical person, or a legal entity interested in a permit for conditionally permitted use of a land plot, or a capital facility situated at Vladivostok Freeport (hereinafter referred to as the “permit for conditionally permitted use) shall submit an application for the permit for conditionally permitted use to the local authority of the municipal/urban district where this land parcel/capital facility is situated.

7. Public hearing on matter of issuance of a permit for conditionally permitted use shall be held in terms established by this Article. The resolution on public hearing shall be made by the Head of Municipality.

8. Public hearing on matter of issuance of a permit for conditionally permitted use shall be prepared and held by the local authority of a municipal/urban district.

9. Public hearing on matter of issuance of a permit for conditionally permitted use shall be held within no more than fifteen days as from the date of notification of inhabitants of the municipal entity about the time and place of such public hearing.

10. The local authority of the municipal/urban district shall, on the basis of recommendations provided in Part 8 of Article 39 of the Urban Development Code of the Russian Federation, make a resolution either to issue a permit for conditionally permitted use, or to refuse issuing such a permit for conditionally permitted use.

11. A person interested in obtaining a permit to deviate from the authorized construction terminal parameters, or a permit for reconstruction of capital facilities situated within the territory of Vladivostok Freeport, shall submit an application for such permit to the local authority of the municipal/urban district where such a land plot is situated.

12. Public hearing on matter of issuance of a permit to deviate from the authorized construction terminal parameters, or a permit for the reconstruction of capital facilities, shall be prepared and held by the local authority of a municipal/urban district.

13. Public hearing on matter of issuance of a permit to deviate from the authorized construction terminal parameters, or a permit for reconstruction of capital facilities, shall be held within a term of no more than fifteen days as from the date of notification of inhabitants of the municipal entity about the time and place of such public hearing.

14. The Head of Municipality shall, on the basis of the recommendations provided in Part 5 of Article 40 of the Urban Development Code of the Russian Federation, make a resolution either to issue a permit to deviate from the authorized construction terminal parameters, or a permit for reconstruction of capital facilities, or to refuse issuing such a permit, providing the reasons for such a resolution.

15. Construction and commissioning permits related to construction, reconstruction, major repair of capital facilities situated within the territory of Vladivostok Freeport, shall be issued by the local authority of a municipal/urban district within seven days as from the date of receiving the application for a construction/commissioning permit.

Article 29. Protection of interests of the residents of Vladivostok Freeport

The Management Company may represent and plead for the interests of residents of Vladivostok Freeport, advance claims originating from administrative and other public relations involving protection of rights and legal interests of any number of unspecified legal entities and individual entrepreneurs having the residence status of Vladivostok Freeport.

Article 30. Storage of certain types of the most valuable assets such as luxury articles, pieces

of art and antiques, at Vladivostok Freeport

1. Special services related to storage of goods a unit price of which exceeds five hundred thousand rubles, such as luxury articles, pieces of art and antiques, and other operations related to pre-sale preparation including demonstration of such goods to the prospective purchasers, may be rendered within the port area where the duty-free customs treatment is applicable under Part 3, Article 23 of this Federal Law in case such activities correspond to the subject and conditions of the implementation agreement provided by Article 12 of this Federal Law.

2. The Russian Federation Government may establish the requirements to conditions of conducting activities mentioned in Part 1 of this Article.

3. A Vladivostok Freeport resident may carry out the activities provided by this Article shall it be a legal entity under the Russian Federation laws.

4. The storage of goods mentioned in Part 1 of this Article, or other operations provided by this Article, shall be carried out in special rooms or other places approved by the customs authority and ensuring the preservation of goods and the impossibility of their expropriation outside the customs control, situated within the port area where the duty-free customs treatment is applicable under Part 3, Article 23 of this Federal Law.

Chapter 6. CONCLUSIVE PROVISIONS

Article 31. Enactment of this Federal Law

1. This Federal Law shall be enacted upon expiry of ninety days since being officially published, except for Articles 20 and 22 of this Federal Law.

2. Article 20 of this Federal Law shall be enacted from January 1, 2016.

3. Article 20 of this Federal Law shall be enacted from October 1, 2016.

President
of the Russian Federation
V. PUTIN

Moscow, Kremlin
July 13, 2015
N 212-FL
