WORLD TRADE ORGANIZATION

G/SCM/Q2/RUS/4

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Committee on Subsidies and Countervailing Measures

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SUBSIDIES

REPLIES TO QUESTIONS POSED BY CANADA[1] REGARDING THE NEW AND FULL NOTIFICATION OF THE RUSSIAN FEDERATION[2]

The following communication, dated 25 September 2013, is being circulated at the request of the Delegation of the Russian Federation.

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NOTIFIED PROGRAMMES

Page 14, Irkustk region, Support of local manufacturing:

Could Russia please provide more information on the eligibility requirements and the tax incentives offered?

Reply

In accordance with provisions of the law of the Irkutsk region of 8.10.07 No. 75-RL "On Property Tax for organizations" tax incentives are provided on the property tax of organizations depending on the type of its economic activity and applied on the obtained and (or) newly created property (which previously was not subject to taxation on the territory of the region). Tax rate is fixed at 0.55 – 1.1% depending on the value of fixed assets, approved for accounting report.

In accordance with the law of the Irkutsk region of 12.07.10 No. 60-OZ "On reduction of rate of the corporate income tax for certain categories of taxpayers" tax incentives are provided on the corporate income tax of organizations depending on the type of their economic activity and determined on the basis of the share of the value of obtained and (or) newly created facility (-ies) of fixed asserts.

Could Russia also indicate what percentage of recipients are engaged in aircraft manufacturing?

Reply

In 2012 none of the enterprises involved in aircraft manufacturing applied and consequently received tax reduction provided by the law of the Irkutsk region of 8.10.07 No. 75-RL "On Property Tax for organizations".

[1] G/SCM/Q2/RUS/1.
[2] G/SCM/N/253/RUS.

Page 27, Ulyanovsk region, Support of aircraft industry:

Could Russia please provide more information on the eligibility requirements of this programme, as well as on the tax reduction offered and recipients?

Reply

Under the law of the Ulyanovsk region of 29.05.12 No. 61-ZO "On the establishment of the property tax rate for organizations of the aircraft industry, involved in manufacturing and sale of aircrafts" organizations of the aircraft industry, involved in manufacturing and sale of aircrafts are eligible for property tax incentive. In accordance with the law the tax rate is fixed at 0.95% (instead of 2.2%) per year of the average cost of assets of such organizations.

Recipients of this programme are organizations engaged in the aircraft industry and main taxpayer is CJC "Aviastar-SP".

Page 28, Yaroslavl region, Support of light industry, chemical, petro industry and mechanical engineering:

Could Russia please provide more information on the eligibility requirements of this programme and the grants and tax incentives offered?

Reply

In accordance with the regional programme of modernization and innovative development of the industry of Yaroslavl region for 2001 – 2013 years, industrial subsidies are granted to organizations, based on their requests and in accordance with conditions and criteria, stipulated by the regional legislation. These criteria are based on main parameters of economic activity of the applicant, such as patents, level of wages, number of professional employees, amount of taxes paid.

Could Russia also indicate what percentage of recipients are engaged in aircraft manufacturing?

Reply

In the Yaroslavl region there are no organizations, involved in the aircraft manufacturing.

UN-NOTIFIED PROGRAMME

Canada understands that through its Federal Targeted Programme entitled ''Strategy for the development of the aviation industry for the period up to 2015'' (administered by the Ministry of Industry and Trade), Russia supports R&D work in the civil aircraft industry.

Could Russia please explain why this programme was not notified? Also, could Russia please provide background information on this programme, including its policy objective/purpose, eligibility requirements, form of subsidies, amount provided, recipients and duration.

Reply

Information on other subsidies shall be provided in addition to the Notification G/SCM/N/253/RUS.

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